

CITY OF NOYALLO

GENERAL PLAN

HOUSING ELEMENT

1999 UPDATE

APPROVED BY THE BOARD OF SUPERVISORS

APPROVED BY THE CITY CLERK

APPROVED BY THE CITY ATTORNEY

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CITY OF MONTEBELLO

GENERAL PLAN

HOUSING ELEMENT

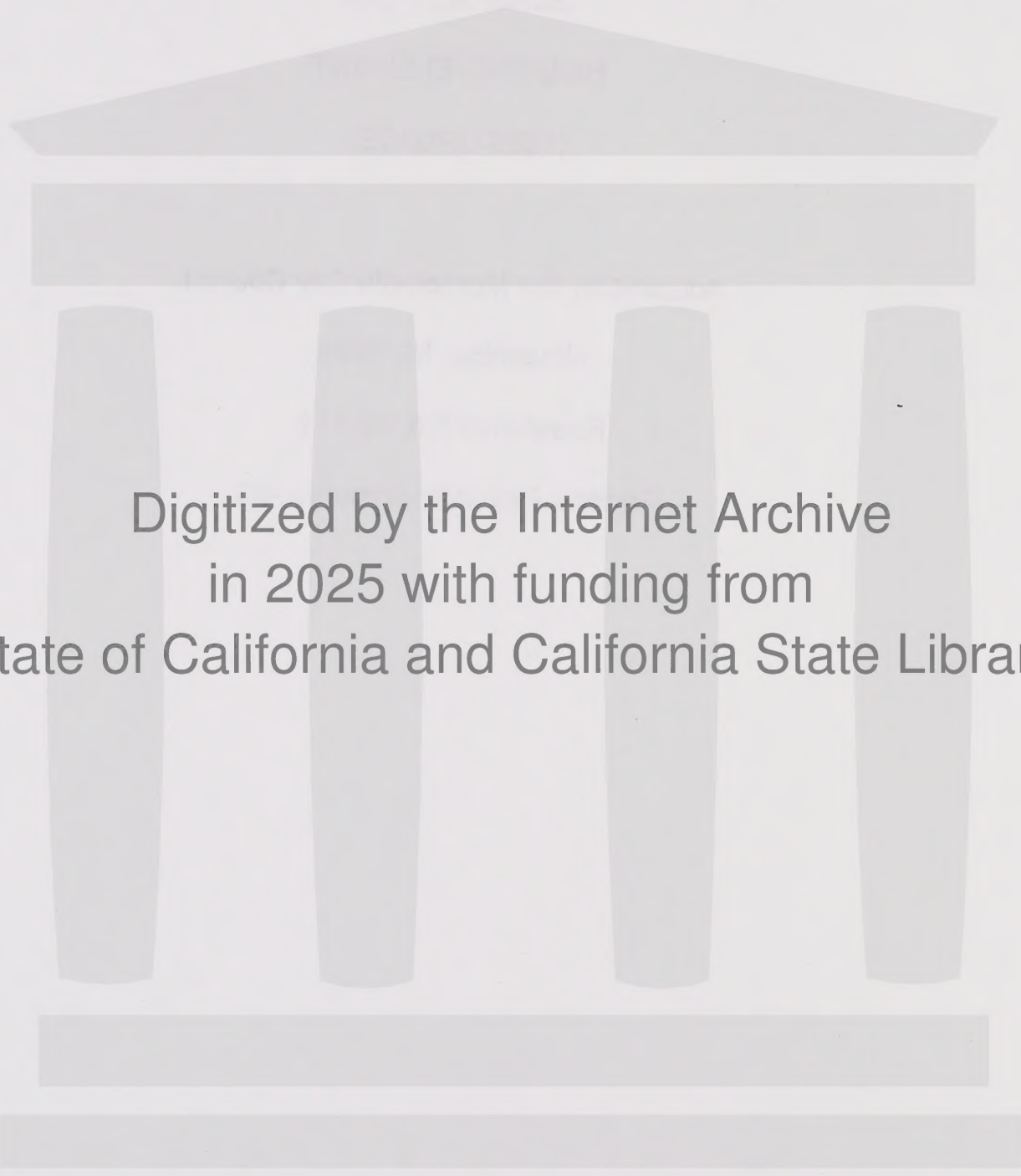
(1989 UPDATE)

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November 16, 1993

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General Plan Amendment 2-93



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CITY OF MONTEBELLO
HOUSING ELEMENT OF THE GENERAL PLAN
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CHAPTER I: INTRODUCTION

The City of Montebello prepared a revised Housing Element of the General Plan in conformance with California State Legislation (Roos Bill, AB 2583) in 1981. As required by law, this document has been updated in 1984 and 1989. The purpose of the Housing Element is to provide the City with a general policy direction with regard to decisions concerning housing and to facilitate the improvement and development of housing for all economic segments of the community. The Housing Element identifies the housing needs of the community and sets forth a statement of goals and quantified objectives to address those needs. The plan includes programs for the preservation, improvement and development of housing.

Expanding housing opportunities is acknowledged to be a shared responsibility of the private sector and government at all levels. The plans and strategies in the Housing Element recognize and encourage this joint responsibility. The Element seeks a public/private partnership to address the goal of adequate housing stock in a satisfying environment for all Montebello residents. Fundamentally, the City seeks to provide safe, sanitary, and decent housing to accommodate the housing needs of all the residents of Montebello.

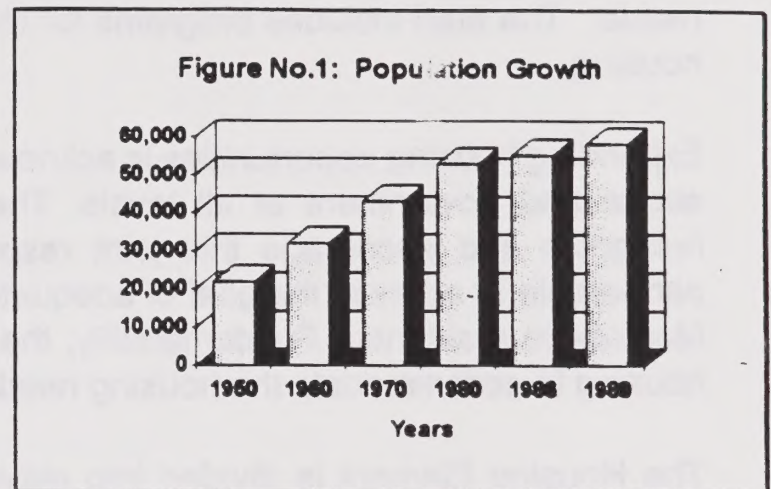
The Housing Element is divided into eleven chapters, beginning with this introduction. In Chapter Two, a community profile is presented which focuses on general demographic information such as population, income, and condition of the existing housing stock. Chapter Three evaluates the effectiveness of the 1984 Housing Element. The results and lessons learned formed a basis for this 1989 update. Chapter Four entitled Housing Needs Analysis, is an examination of the present, future, and special housing needs of the community. Much like the previous chapter, this housing needs analysis was central in the development of this update. In Chapter Five, the constraints upon, and resources available to the City of Montebello are discussed. The chapter focuses upon both private and public constraints and resources. Chapter Six is the 1989 action plan which provides a full discussion of the policies, goals, programs, objectives and anticipated results. Chapter Seven is entitled Citizen Participation, is essentially an explanation of the steps taken by the City to ensure public participation in the preparation and adoption of the Housing Element. Chapters Eight and Nine are devoted to a discussion of consistency between the General Plan, the Housing Element, and Energy Conservation respectfully. Chapter Ten is a list of vacant parcels that are developable and zoned for residential use. The Housing Element concludes with Chapter Eleven which is an evaluation of the potential or current rent restricted low income housing units converting to market rate housing. There is also an analysis of the preservation and replacement costs of these units and a discussion of possible resources.

CHAPTER II: COMMUNITY PROFILE

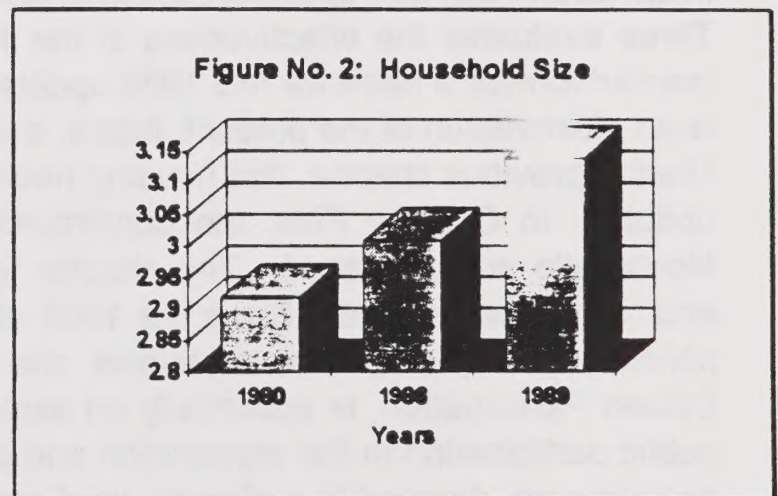
A. Present and Projected Population

The 1980 U.S. Census reported a total population of 52,929 for the City of Montebello, a 23% increase over the 1970 population. This population growth rate exceeded that of surrounding cities during the decade of the 1970's. In fact, Montebello was the 12th fastest growing of the 83 cities within the County of Los Angeles between 1970 and 1980.

In 1986, the Census Bureau conducted a special census in several communities located in central Los Angeles County, including Montebello. This special census listed Montebello's population as 55,198¹. As of January 1, 1989, the latest estimate of Montebello's population published by the Department of Finance, Demographic Research Unit, indicates a population of 58,233 (see Figure No. 1, Population Growth: 1950 - 1989). This reflects a 9% increase in population since 1980.



According to the 1980 Census, the average household size was 2.92 persons per dwelling unit in Montebello. The 1986 special census lists the persons per household at 3.01. As of January 1, 1989 the latest figures published by the Department of Finance, Demographic Research Unit, indicates average persons per household has increased to 3.14 (see Figure No. 2, Household Size 1980 - 1989).



The 1980 Census lists the median age in Montebello as 29.5 years. Four of ten residents were either over 65 years of age, or under the age of 19.

Between 1970 and 1980 the Hispanic population grew at a faster rate than the general population. According to the 1980 Census, Hispanics comprised 59.2% of the City's population, an increase of 12.1% from 1970. Between 1970 and 1980, the Asian population

¹ U.S. Census Bureau, 1986

grew from 5.2% to 13.6%, and the Black population grew slightly from 0.3% to 0.6%.

The 1986 Special Census indicated slight increases in the Hispanic and Asian populations to 61% and 16% respectively, with no significant change in the Black population.

The Population Element of the General Plan projects maximum population for the City of between 60,000 to 70,000. This projection was based upon development of the Montebello Hills in densities consistent with the General Plan population density guidelines. The population projections reflect the limitations on infrastructure necessary to support increased population densities.

B. Household Income

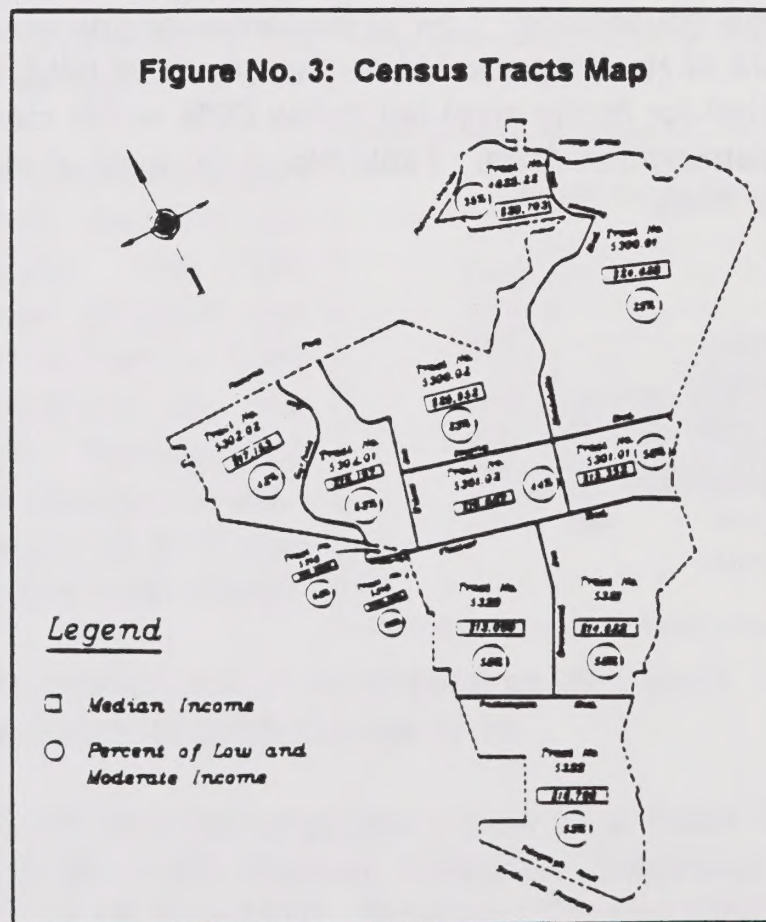
According to the U.S. Census, the median household income for Montebello was \$9,507 in 1970, and \$17,731 in 1980. The median income varied widely by census tract in 1980, with a high of \$31,154 reported in Census Tract 5319 (an extremely small census tract representing only 20 households) and a low of \$13,090 in Census Tract 5320.

A number of census tracts in 1980 were found to have significant percentages of low and moderate-income households. Low to moderate-income households, as determined by the U.S. Department of Housing and Urban Development (HUD), are those households whose incomes (adjusted for family size) fall below 80% of the median households income in the Los Angeles Metropolitan Area. Table No. 1 on page 4 indicates the low and moderate-income caps for 1989.

TABLE NO. 1
LOW AND MODERATE-INCOME CATEGORIES

HOUSEHOLD SIZE (PERSONS)	1989 ² MAXIMUM ANNUAL LOW AND MODERATE- INCOME LIMITS
1	21,300
2	24,300
3	27,350
4	30,400
5	32,300
6	34,200
7	36,150
8 or more	38,000

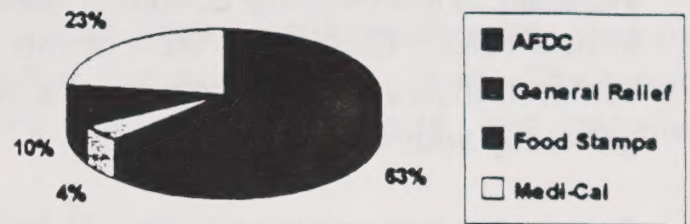
In 1980, seven of the City's twelve census tracts had between 50% and 66% low and moderate-income households (please see Figure No. 3 below).



² U.S. Department of Housing and Urban Development (HUD)

As of July 1989, the Los Angeles County Department of Public Social Services listed 7,518³ residents in Montebello on public assistance. A representative of the Department indicates that the majority of these households are headed by a single parent. This segment of the community is burdened by a low income and the high cost of providing shelter. Figure No. 4 illustrates the number of Montebello residents receiving various types of public assistance.

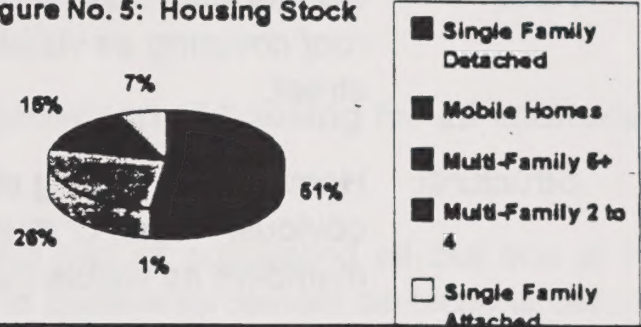
Figure No. 4: Persons Receiving Public Assistance



C. Existing Housing Stock

In 1980 the Census recorded 18,126 housing units in the City. Between January 1, 1980 and July 1, 1989, there was a net increase of 753 new units (after demolitions). Therefore, the total housing stock increased by 4% and numbered 18,879 as of July 1, 1989.⁴ The breakdown of housing type in Montebello is depicted on Figure No. 5.

Figure No. 5: Housing Stock



Housing production slowed beginning in 1978, and a much slower rate of growth has continued through the 1980's, reflecting a pattern of infill redevelopment on lots in existing neighborhoods rather than larger scale new tract development. During the 1970's, a total of 4,089 units, or 22% of the existing total housing stock, were added. This growth is attributed primarily to development of the City's western portion of the Montebello Hills area. Most of this land had previously been used for oil production, or had been completely vacant. The release of these properties for development during the period of 1970 through 1978 allowed for substantial residential development.

³ Los Angeles County Department of Social Services

⁴ Estimate based on 1980 U.S. Census data and City records

D. Existing Housing Stock Condition

All residential building in the City, except those constructed in the last five years, were included in the housing condition survey conducted by the Montebello Planning Department in mid-1983. Given that 96% of the housing was built prior to 1983, the survey was very comprehensive. The survey results, which follow on Figure No. 6 found the housing stock in generally sound condition.

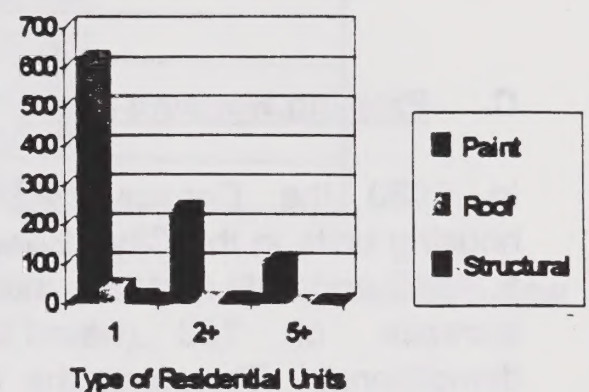
Criteria for determining housing conditions were:

Paint: Homes with peeling or dirty paint as visible from the street.

Roof: Homes with missing or deteriorated roof covering as visible from the street.

Structural: Homes with missing plaster or obviously weak or missing structural members as visible from the street.

Figure No. 6: Housing Condition



The housing survey results reveal the City's resident's pride in home ownership. Consequently, only 9% of the residential units needed painting and less than 1% required new roofs or structural repairs. The number of units constructed in recent years, in part, also contributed to the sound condition of the housing stock. Approximately 4,100 units were constructed between 1970 and 1980, as reflected by the 1980 census data. However, a significant percentage of the City's housing stock is maturing. In a statistical summary prepared in 1973, 43% of the units were listed as being more than 20 years old; by 1980 this figure had increased to 52%.

E. Length of Residency

The 1980 Census reflected a stability of residency, with 45% of the residents indicating a tenure of longer than six years in their present dwelling. The high cost of housing has probably curtailed residential mobility. The City can expect to see a trend developing whereby residents will remain in their homes for longer periods of time. Since the housing stock will continue to age and need periodic rehabilitation, the City has focused its housing programs on preserving the existing housing stock and maintaining the cohesiveness and stability prevalent in the majority of its residential neighborhoods.

CHAPTER III: PLAN EVALUATION

The 1984 Housing Element identified five major housing policy areas. Below is an evaluation of the 1984 plan by each of those five policy areas. Under each policy area the goals, programs, objectives, and results are presented in summary matrix form. The results are also discussed in greater detail through the use of tables, charts, and narrative description.

In general, the City of Montebello was successfully able to achieve the majority of its objectives. However, there were objectives that were not reached. A discussion of those shortcomings is also included. The 1989 Housing Element is based on the evaluation of the strengths and weaknesses of the 1984 Plan as well as the anticipated circumstances necessary to take the City into the 1990's.

A. Provision for Housing: To encourage the provision of housing for all economic segments of the community.

As is evident by Table No. 2 on page 8, Montebello met or surpassed all but one of its Provision for Housing objectives. Only with respect to code enforcement corrections did the City fall short (approximately 6%). From July 1, 1984 through June 30, 1989 approximately 600 code enforcement actions were taken annually; our objective was 640. The short fall is due to two reasons 1) staff turnover; and 2) concentration on the most serious violations which tend to adversely impact a larger area and take longer to resolve.

A comparison of housing production objectives with actual housing production results from mid-1984 to mid-1989 is also provided in Table No. 2. A total of 654 new dwelling units were developed in Montebello during the period of July 1, 1984 to June 30, 1989. These figures indicate that goals for new construction were met, including construction of the anticipated number of subsidized housing units for the elderly and handicapped. The mix of housing type was as follows: 359 apartments, 88 townhomes and/or condominiums, 77 single family homes and 130 units of senior citizen housing. The average construction rate from July 1, 1984 through June 30, 1989 was 130 units per year, including the subsidized Casa La Merced senior housing project. During this same five year period 97 housing units were demolished.

Figure No. 7 on page 8, is a map which depicts the spatial distribution of the 654 new units. Thus, given the mixture of locations, types, and tenure, the goal to provide for a range of housing was satisfied.

Montebello was able to achieve its special population (e.g. elderly) housing goal of 130 units through a public/private partnership. The City made the land available, HUD provided the financing, and a non-profit organization developed the units. The 130 unit complex, known as Casa La Merced, houses senior citizens. All residents of the complex receive Section 8 housing certificates from HUD.

TABLE No. 2

1984 PLAN EVALUATION: PROVISIONS FOR HOUSING POLICY

GOALS	PROGRAM	OBJECTIVES	RESULTS
Sanitary & safe housing	Code Enforcement	640 annual corrections	600 annual corrections
Range of housing type, location, price, and tenure	General Plan	250 total units 50 units per year	654 total units 130 units per year
Housing for special needs	HUD 202 Program	130 senior citizen housing units	130 senior citizen housing units

Figure No. 7:
1984 - 1989 SPATIAL DISTRIBUTION OF
HOUSING PRODUCTION BY HOUSING
TYPE CITY OF MONTEBELLO

LEGEND

SINGLE FAMILY HOMES ○
CONDOMINIUMS/TOWNHOMES △
APARTMENTS □

The number corresponds to the number of units developed on that particular location.



- B. Housing and Neighborhood Preservation:** To preserve existing housing, neighborhoods and the residential character of the community while providing for orderly growth to accommodate the future housing needs of the community.

Montebello fell slightly short in its Housing and Neighborhood Preservation goal. As demonstrated by Table No. 3, the City's objective was to provide 12 rehabilitation loans annually; an average of 10 were completed annually over the five year period. Montebello set an objective of 28 single family unit rehabilitations per year; an average of 17 per year were completed. The City also intended to provide 55 handyman services per year; over the five year period Montebello's average was 45 per year. Montebello surpassed its graffiti removal objective by a factor of more than two. Montebello met or nearly attained its objectives when staff was at full strength. However, personnel vacancies due to transfer, promotion, resignation, etc., created occasional periods of reduced production until the vacancies were filled.

TABLE No. 3

1984 PLAN EVALUATION: HOUSING AND NEIGHBORHOOD PRESERVATION POLICY

GOAL	PROGRAMS	OBJECTIVES	RESULTS
Preservation of existing & identification of declining or unstable neighborhoods	Prop. maintenance & code enforcement	640 annual code corrections	600 annual code corrections
	Graffiti removal	120 units per year	276 units per year
	Rental rehabilitation	12 units per year	10 units per year
	Single family rehabilitation	28 units per year	17 units per year
	Handyman services	55 units per year	45 units per year
	Code enforcement	Maintain community standards of property maintenance and avoid blight	600 annual code corrections

- C. Housing Accessibility:** To assure housing accessibility free of discrimination.

Essentially, the goal of the housing accessibility policy is to provide housing options through the reduction or elimination of discrimination, and to increase the public's awareness of housing programs. These goals and their corresponding objectives are being met as is evident by Table No. 4 on page 10.

The City has a contractual arrangement with the San Gabriel Valley Fair Housing Council to provide fair housing services. Under an annual contract the Housing Council investigates allegations of discrimination complaints. In cases where the Council has reason to believe that discrimination has occurred, the Council refers the matter to the State Department of Fair Housing and Employment and/or the Federal Department of Housing and Urban Development for further investigation. The Council conducts quarterly seminars for tenants, managers and landowners with respect to housing discrimination issues. The Housing Council has a program with the Montebello School District to educate students on the need for fair housing. Currently, the Council is in the process of conducting a survey of 100 households to determine the level of housing discrimination in Montebello.

With respect to awareness of City programs, staff annually mails information on all available housing programs in Montebello to every household. For persons interested in the owner occupied rehabilitation program the City holds a bi-monthly orientation meeting.

TABLE No. 4
1984 PLAN EVALUATION: HOUSING ACCESSIBILITY POLICY

GOALS	PROGRAMS	OBJECTIVES	RESULTS
Housing free of discrimination	Agreement with the San Gabriel Valley Housing Council	Public education	Workshops with public schools, tenants, & landlords
Increase awareness of & participation in housing programs	Annual mailing of available housing programs brochure	1 brochure per household per year	1 brochure per household per year

D. Conservation of Affordability: To conserve and increase the supply of affordable housing for low and moderate-income households.

The City of Montebello considers its multi and single-family residential rehabilitation programs as efforts to conserve housing affordability and to preserving neighborhoods. The results of the rehabilitation programs were discussed under Housing and Neighborhood Preservation.

There was 16% increase in Montebello in the number of Section 8 certificates from 297 to 345 during the period of July 1984 to June of 1989. The objective of providing 382 Section 8 certificates was not attained (see Table No 5 on the following page). However, the Section 8 program is not an area in which the City of Montebello has authority or control. Montebello contracts with the Los Angeles County Housing Authority for Section 8 certificates. Hence the City cannot control the number of certificates issued by the County. The County Housing

Authority does not allocate certificates by local jurisdiction. Instead, the recipient is free to select any unit in any jurisdiction within the county willing to accept the voucher. Montebello's primary responsibility, which it fulfilled, is to inform citizens of how the County process works and to refer them to the proper authority within the County.

In addition to the 345 Section 8 vouchers discussed above, there are three Section 8 HUD subsidized buildings in which every resident receives Section 8 assistance (the combined total number of units within these three buildings is 347). There are 130 units in Casa La Merced and 189 units in the Beverly Towers. Both Casa La Merced and Beverly Towers are exclusively for senior citizens. Villa Margarita is a 28 unit complex exclusively for families.

TABLE No. 5
1984 PLAN EVALUATION: CONSERVATION OF AFFORDABILITY POLICY

GOALS	PROGRAM	OBJECTIVES	RESULTS
Develop & implement programs to continue affordability	Rehab loans, grants, and handyman services	Please see Housing and Neighborhood Preservation goal.	Please see Housing and Neighborhood Preservation
Preservation & maintenance of existing affordable housing stock	Section 8 certificates	382 L.A. County Housing Authority certificates	345 L.A. County Housing Authority certificates
	Section 8 certificates	347 HUD issued certificates	347 HUD issued certificates

E. Standards and Plans for Adequate Sites: To develop standards and plans to ensure that adequate sites exist throughout the City for various types of housing.

The goals and objectives of this policy were achieved as is evident by Table No. 6 on page 12. Montebello has in place a variety of means by which it can expedite housing production and reduce the cost of housing. The General Plan and other development standards continue to provide the framework which permits growth while maintaining the quality of life.

TABLE No. 6
1984 PLAN EVALUATION: STANDARDS AND PLANS FOR ADEQUATE SITE POLICY

GOALS	PROGRAM	OBJECTIVES	RESULTS
Designation of specific sites suitable for housing	Parcel management system	Inventory of land suitable for housing	Current inventory of land suitable for housing
Removal of constraints which add to cost of housing or prevent production	One stop permitting Moderate development fees	Reduce time and permitting costs	Completed Completed
Develop standards which preserve existing character while allowing for planned growth	General Plan zoning, setbacks, open space, etc.	Orderly growth	On-going
Develop criteria for encouraging maximum housing without intruding into existing residential areas	General Plan/Zoning consistency study	Orderly growth	On-going

F. Lessons Learned

The basic housing policies and goals remain unchanged (see Chapter VI). However, the 1989 update has been revised to incorporate a number of important lessons learned as a result of prior efforts. For example, the City has taken a more aggressive position with respect to housing and neighborhood preservation. To that end, the City has doubled the number of full time code enforcement officers and has significantly increased its graffiti removal efforts. Both of these programs represent a substantial commitment on behalf of the City to preserving residential neighborhoods. The programs are designed to project an image of pride, stability, as well as a concern for maintenance and safety.

Although the City was previously slightly below its housing rehabilitation goal, we continue to make progress. Our goal is identical to the prior element—90 units per year. The single family rehabilitation program is now properly staffed with experienced personnel. A full-time employee coordinates this program. Additionally, Montebello has hired, on a contract basis, an inspector to provide rapid but professional inspections for interested applicants. This change will decrease the time necessary to process applications, and thus, reduce the loss of potential clients.

With respect to the rental rehabilitation program, the City has increased its marketing outreach efforts. Montebello has contacted local property management firms, apartment owners' associations, the local Chamber of Commerce, real estate offices, etc., regarding the availability of the rental rehabilitation program.

The City has utilized the efforts of the code enforcement officers as a means of informing apartment owners cited for violations about the rental rehabilitation program. In general, the City has instituted a much more aggressive marketing effort in regards to the rental rehabilitation program.

CHAPTER IV: HOUSING NEED ANALYSIS

State law requires a community's Housing Element to consider the housing needs of residents at all income levels. Projections of future housing needs for Montebello originate from several sources. The Federal Housing Assistance Plan (HAP) is one source. The HAP is required of all jurisdictions receiving Community Development Block Grant (CDBG) funding. This federally approved document includes the community's housing needs and establishes goals towards alleviating the needs of the community.

A second source is the Southern California Association of Governments (SCAG). SCAG is the state designated regional planning body for the Southern California area, including Montebello. Under state direction, a primary function of SCAG is to develop data from which to analyze the housing needs of each community within the region.

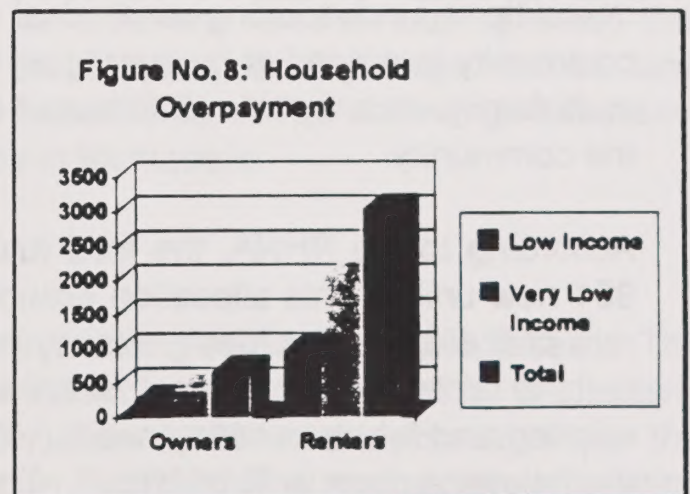
The 1989 Regional Housing Needs Assessment (RHNA), prepared by SCAG, identifies existing housing needs as of January 1, 1989, and projects future housing needs from July 1, 1989 to June 30, 1994 for each jurisdiction within the region based on the regional Growth Management Plan (GMP), Regional Mobility Plan, and the Air Quality Management Plan. Each community in the region must then utilize these RHNA numbers as the basis for the identification of housing needs in the update of their Housing Element.

A. Existing Housing Needs

1. Low and Very Low Income Households

The RHNA identifies 18,268 households within Montebello in 1989. Of these households, 7,216 (40%) are classified by SCAG as low income households.

"Existing need" in the RHNA is defined as the current number of lower income households paying more than 30% of their income for housing, which is defined by the RHNA as "overpayment". There is a large stock of affordable units in Montebello, with over 7,780⁵ rental units having an average rent of \$555 per month.



⁵ Montebello Business Licenses

Nevertheless, according to the RHNA, of the total 7,216 low income households in the City, 3,730 (52%) are "overpaying" for shelter. Information on the type of households by income category and tenure overpaying for housing is provided in Figure No. 8 on the previous page.

2. Rehabilitation Needs

Pursuant federal guidelines, any unit which does not meet or exceed the Section 8 housing quality standards or local building codes is considered to be substandard and suitable for rehabilitation. According to SCAG's Regional Housing Needs Assessment document, there are 18,782 dwelling units in Montebello. As of 1989, 1,619 of these units are designated as being suitable for rehabilitation⁶. As is discussed in Chapters III and VI, the City has programs to assist qualified homeowners and rental property owners in rehabilitating such properties. The City also has an active property maintenance code enforcement program that requires the correction of substandard housing conditions.

B. Future Housing Needs

State law requires each local Council of Governments (COG) to assess future housing needs for the region and to allocate to each community its "fair share" of the estimated regional growth. The COG for this area is the Southern California Association of Governments (SCAG) which has provided such allocations through its Regional Housing Needs Assessment (RHNA). The RHNA takes into account future growth as well as demolitions and existing and ideal vacancy rates. An "ideal" vacancy rate for each community is arrived at by averaging the ideal single-family vacancy rate (2%) and the ideal multi-family vacancy rate (5%) based on the ratio of single-family/multi-family development in the community.

According to the RHNA, the total future housing need in Montebello from 1989 to 1994 is 951 new units. This allocation assumes an 11.7% replacement factor, an existing vacancy rate of 0.4%, and an ideal vacancy rate of 3.25%. The 951 units include 112 replacement units to replace demolitions, 294 units to meet regional growth needs, and 545 units to meet existing and future vacancy needs. This figure is further distributed by income as shown on the following page in Table No. 7. The City accepts the RHNA as its quantified objective for the development of new housing units across income categories.

Table No. 7 also breaks down housing need and construction objective by household income. Every community should have its regional share of very low, low, moderate and

⁶ Montebello 1989-1991 Housing Assistance Plan (HAP)

high-income households. The breakdown provided by Table No. 7 includes the number of units which would be necessary for Montebello to move 25% closer to the "ideal" over the next five years, and to achieve the "ideal" within 20 years.

TABLE NO. 7
REGIONAL HOUSING NEED ASSESSMENT AND QUANTIFIED NEW CONSTRUCTION
OBJECTIVE JULY 1989 THROUGH JUNE 1994

New Construction Per Year	Very Low Income	Low Income	Moderate- income	High Income	Total Units
7/89 - 6/90	32	42	37	78	190
7/90 - 6/91	32	42	37	78	190
7/91 - 6/92	32	42	37	78	190
7/92 - 6/93	32	42	37	78	190
7/93 - 6/94	33	48	38	76	191
Five Year Totals	161 16.9%	216 22.7%	186 19.6%	388 40.8%	951 100%

For a discussion of rehabilitation and conservation quantified objectives by income category please see Tables 16 and 17 on pages 44 and 49.

C. Special Housing Needs

State legislation stipulates that housing elements consider any special housing needs that may exist in the community, such as those of the handicapped, elderly, large families, farm workers, homeless families, and single parent households. The following discussion analyzes the special housing needs of these groups in Montebello.

1. Elderly

There is a significant elderly population residing in the City of Montebello. The result of the 1986 Special Census reflects an increase within the elderly population (65 years of age and older) from 10.7% of the population per the 1980 census to 14.8% of the population by 1986. The total elderly population number is 7,727. This increase is attributed to a significant percentage of the population entering retirement age and an increased life span for the elderly as a result of medical advances. Demographers expect that the elderly will constitute an even greater portion of the population by the year 2000.

For elderly homeowners, the greatest single need is assistance with the upkeep of their home. According to the City's Human Services Coordinator, many seniors are on a low fixed income and therefore cannot properly maintain their home. For these seniors, the City's rehabilitation program provides loans which are deferred until the house changes ownership.

Senior citizens who are not homeowners face the problem of affordable housing. The needs of this group have been assisted through construction of two subsidized senior housing developments in Montebello, Beverly Towers with 189 units and Casa La Merced with 130 units. All residents of these two complexes receive Section 8 certificates. However, waiting lists for each of these developments indicate continuing demand for such housing.

For those eligible senior citizens who can no longer prepare their own food they are assisted by the County's Department of Aging's Meals-On-Wheels program. Essentially, this program delivers food to those seniors who can no longer prepare their own. This program allows seniors to remain in their own home or apartment and thus remain in an independent living environment.

2. **Handicapped**

According to the 1980 Census, disabled and handicapped persons, over the age of 16 constituted 4.4% of the population. Therefore, an estimated 2,232 handicap persons live in Montebello.

Perhaps the most important need of the handicapped is the removal of physical barriers to housing. Consequently, Montebello has used Community Development Block Grant funds to provide curb cuts through out the City. Additionally, whenever the dwelling of a household with a handicapped member undergoes rehabilitation using federal, state, or local sources, the unit is retrofitted with handicapped improvements.

A breakdown of low and moderate-income households which contain at least one handicapped person and that are expected to receive rental assistance during the next five years is provided in Table No. 8 on the following page.

TABLE NO. 8
LOW AND MODERATE-INCOME HANDICAPPED HOUSEHOLDS⁷
EXPECTED TO RECEIVE RENTAL ASSISTANCE

Elderly	1 Person Non-Elderly	Small Families	Large Families
62	125	225	55

3. **Large Families**

The housing needs of large families within this community are problematic on two counts. First, is a limited supply of large (three or more bedrooms) rental units in the City. Secondly, large families (with five or more persons) find it increasingly difficult to locate affordable housing to accommodate their needs.

Homeownership is prohibitively expensive for many families as income has not kept pace with the cost of housing. The strong need for increased family housing is evident when viewed against the numbers of families qualifying for assisted housing programs. Seven of twelve census tracts within the City have a majority of residents who qualify for federal housing assistance programs. Many of these families are headed by single parents (3,932 households)⁸.

Often, large families have several dependent children and thus need a location close to day care centers and schools. A higher than normal percentage of these households are low and moderate-income. Additionally, a higher than normal percentage of these households are paying more than 30 percent of their incomes for rent.

The primary resources for large families are the Section 8 housing certificates and the 28 unit Villa Margarita. According to the Los Angeles County Housing Authority, the waiting list for dwelling units that can accommodate large families ranges from two to four years. As the City's fees are modest (see Table No. 14 on page 34) and processing time extremely short (60 days) a program to waive fees or expedite permits would have only a marginal impact at best. Nevertheless, the City will examine the possibility of implementing such a program.

⁷ Montebello 1989-1991 Housing Assistance Plan (HAP)

⁸ 1980 U.S. Census

4. **Farm Workers**

Montebello is located within a highly urbanized area therefore, farm workers do not constitute a significant percentage of City's population.

5. **Homeless Families**

With the assistance of the Police Department, on October 6, 1989 the City sought to document the number of homeless in Montebello. According to this point-in-time search there are no homeless families among Montebello's population. However, this search and routine police patrol does indicate that there were several (5 to 8) homeless single males living in parks, between businesses located along Whittier Boulevard, and or under bridges at any one time in the City of Montebello.

The City's Community Services Department has an active program to assist the homeless. The Department organizes food drives at City Hall and local schools and churches. This food is available to any homeless person in need of food. The Department also provides appropriate referrals for temporary shelter and/or crisis assistance.

Within a five mile radius of Montebello City Hall the following housing resources for homeless single men are available: Sundowners, Salvation Army, and the New Jerusalem Church.

For homeless women and/or families the following shelters and temporary housing are available: Rio Hondo Temporary Home, Chicana Service Action Center, Southern California Coalition on Battered Women, and Bethel Haven.

While there are no shelters within the jurisdiction, local land use regulations do not prohibit the placement of shelters within the City limits. A shelter would require a conditional use permit. The conditions for a shelter would not differ, except for parking standards, from any other residential use in terms of setbacks, open space, etc. With respect to parking, a shelter need provide only one space per every two employees rather than a ratio based on bedrooms or square footage. This provision facilitates the placement of shelters. Therefore, there is no need to identify an exact location for the siting of shelters.

6. Overcrowding

According to the 1980 Census the rate of overcrowding was as shown on Figure No. 9. As is evident by the numbers, renters with large families are most likely to live in overcrowded dwelling units. This is due to the high cost of housing and the limited number of apartments with three or more bedrooms. To alleviate

overcrowding for renters, the City offers the Rental Rehabilitation Program (RRP). Under this program, property owners may receive low interest loans for property upgrading, including room additions which will help alleviate overcrowding. Eligible tenants may also apply for Section 8 housing, which would provide affordable housing without overcrowding. However, the City has no control or jurisdiction over the administration of the Section 8 program.

To reduce overcrowding for owner occupied units, the City has a Home Improvement and Preservation Program (HIPP). The program provides low interest loans and deferred loans to qualified homeowners in order to alleviate overcrowding and structural defects.

7. Female Headed Households

According to the 1980 Census, the City of Montebello had 13,522 Family Households residing within its city boundaries, of which 19% (2,540) were Female Headed Households (FHH) with no husband present. The preliminary 1990 census data indicates that Montebello had 14,397 Family Households of which 23% (3,273) are FHH with no husband present (see Figure No. 10).

Figure No. 9: Overcrowding

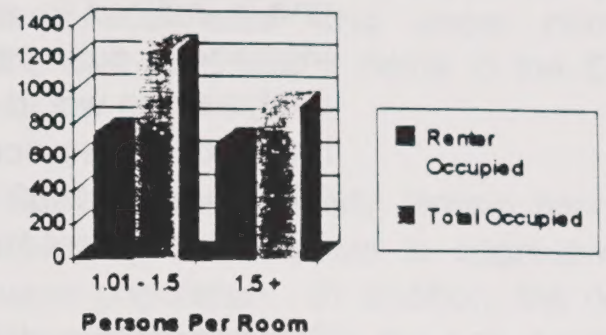
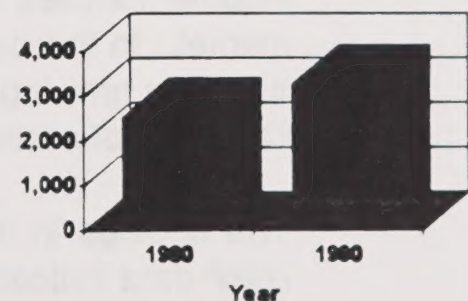


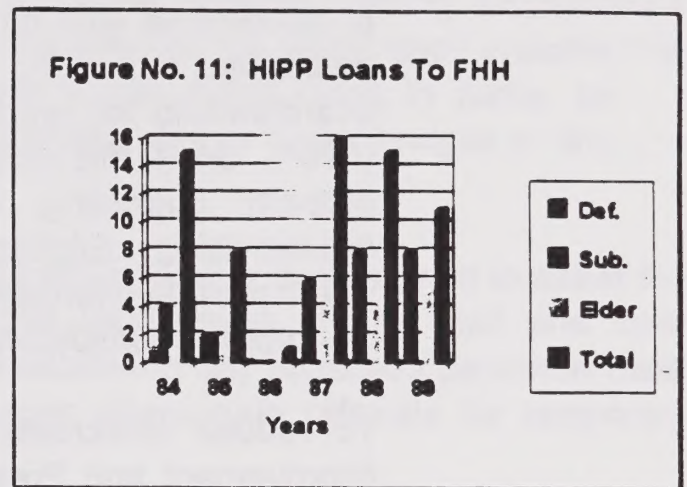
Figure No. 10: Female Headed Households



During the decade of the 1980's, the number of Family Households increased by 875, from 13,522 in 1980 to 14,397 in 1990. Over this same time period, the number of FHH without a husband present increased by 733, from 2,540 in

1980 to 3,273 in 1990. In analyzing the increase in FHH during the 1980's, the data appears to indicate that for each new Family Household (875) gained in the City, there were almost as many new FHH (733) gained in the City. Hence, one is inclined to say that of the new Family Households gained in the City of Montebello during the 1980's, 84% were FHH. However, in making such an analysis one would completely miss the reality of the City's demographics. In the following section, the City's Home Improvement Program (HIPP) data for 1984 through 1989 suggests a different view of the City's FHH than what the census data would indicate.

Between 1984 and 1989, the City's HIPP made a total of 66 deferred and subsidized loans to very low and low-income people. Of the 66 HIPP loans, 47% (31) were made to FHH. During the same time period, 24% of all HIPP (deferred and subsidized) loans made were to elderly FHH. A closer analysis reveals that of the 31 HIPP loans made to FHH, 52% (16) were made to elderly FHH. Overall, of the HIPP loans made by the City, 57% have been deferred loans to FHH and 27% have been subsidized loans to FHH (see Figure No. 11).



In the housing section of this document, it was established that housing costs in the City have increased substantially (512%) over the past 18 years. Given the substantial increase in the City's housing costs, many low and moderate-income families have subsequently been priced out of the City's housing market. In the demographics section, it was also established that the City has a rapidly growing elderly population that requires different types of assistance. One form of assistance the City provides to elderly people is through the HIPP.

The findings in the housing and demographic sections, as well as the City's HIPP data indicate that the increase in the City's FHH is actually an increase in elderly female headed households. The findings and HIPP data do not indicate that the increase in FHH during the 1980's were young female headed households (with no husband present).

In accordance with the City's increasingly elderly population, 52% of the HIPP (deferred and subsidized) loans made have been to elderly female headed households who applied for financial assistance to properly maintain their

homes. Hence, the increase observed in FHH during the 1980's in Montebello is a result of the City's increasing elderly population, in particularly the elderly female population. To assume that the increase in FHH during the 1980's is attributable to young female headed households who under normal circumstances would not be able to afford to purchase a home in the City, would lead one to an erroneous conclusion.

Since the City has been able to effectively assist elderly female headed households through the City's HIPP, the City will continue to aggressively market the HIPP to the elderly homeowner population. In addition, the non-elderly FHH will be targeted for rental assistance through the Los Angeles County's Section 8 Program.

The first part of the paper discusses the importance of the data and the role of the researcher in the data collection process. It is emphasized that the data should be collected in a way that is consistent with the research objectives and that the researcher should be aware of the potential biases in the data collection process.

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CHAPTER V: CONSTRAINTS AND RESOURCES

The housing constraints and resources within the City of Montebello are similar to those of other Southern California urban and suburban communities. Rising costs within the construction industry, the cost and availability of financing, and high demand for a limited amount of land, have combined to constrain housing production, particularly for low and moderate-income persons. The net result is significantly higher costs for housing in a period when incomes are not rising at the same pace. However, the City has used and continues to utilize available resources including tax increment financing, parcel data banks, modest development fees, and a conducive regulatory environment to stimulate the development and preservation of housing in appropriate locations.

This section of the Housing Element elaborates on the constraints and resources faced by the private and public sectors with respect to the development and rehabilitation of housing in Montebello.

A. Market Constraints

Many of the factors which tend to restrict housing supply cannot be controlled by local government, especially those that relate to the regional, national and international economy. Various factors not under the control of local government influence the cost, supply and distribution of housing. These factors include production costs, housing prices and vacancy rates.

1. Production Costs

- a) Land Costs: The scarcity of land serves only to increase the ultimate cost of the housing unit. The cost of land ranges between 16% and 40% of the price of a new home, with most projects having total land costs in the 23% to 35% range. Most developers feel there is relatively little they can cut out of current projects to reduce the price, yet still be competitive with housing built by developers in other cities.

Part of the increase in land prices can be attributed to the general inflation in the U.S. over the last 40 years. However, a significant portion of the increase is due to land price appreciation as the demand for housing has continuously expanded, both because of population growth and Montebello's central location within the metropolitan area.

- b) Construction Costs: Labor and material add substantially to the cost of housing. Construction costs are about the same in Montebello as in other parts of Southern California, averaging about \$58 per square foot for single family residences, and \$65 per square foot for multi-family residential construction.
- c) Financing Costs: Financing costs, for the most part, are not subject to local influence. The control of interest rate is determined by national policies and economic conditions. Interest rates greatly influence the housing market for home buyers and indirectly for renters.

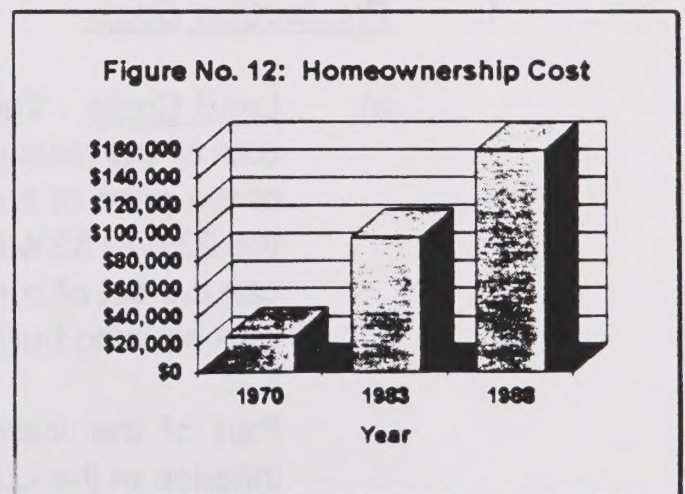
2. Housing Prices

- a) Housing Price Trends: A fundamental constraint on the supply of new housing is profitability. Trends in the price of housing over a period of time can either expand or contract the number and proportion of families that can afford homeownership. When the price of new housing continuously increases at a rate greater than income gains, more and more households are priced out of the homeownership market. The impact of price escalation is most severe on first-time buyers.

The price of new housing influences the resale price on existing homes. When new home values are high relative to consumer incomes, consumers interested in home ownership must turn to the resale market, thus inducing pressures for price increases.

During the decade of the 1980's, housing cost in Montebello increased substantially. As illustrated in Figure No. 12, in 1970 the median price of a single-family home was \$26,130. This average increased to \$97,250 in 1983. In 1988, the same home sold for \$160,000, an

increase of 512% in 18 years (not adjusted for inflation). In 1987, the majority of single-family homes in the City ranged in price from approximately \$130,000 to \$350,000⁹.

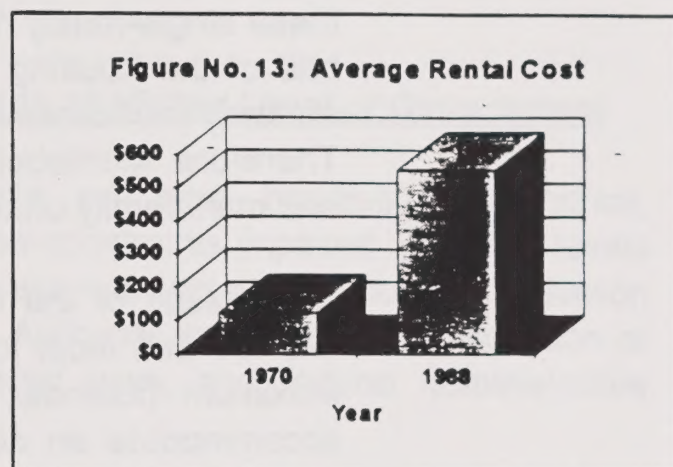


⁹ Montebello Board of Realtors

In August 1988, the housing affordability index reached its lowest level since December 1984. Only a fourth of California's households today have the income to qualify for a 30-year mortgage to buy the present median-priced single-family home priced at \$167,428¹⁰. A June 1988 survey from the California Association of Realtors shows that 75% of California families cannot qualify to buy a median-priced home. For example, to purchase a median-priced home, 20% down payment is required, as well as an annual income of \$52,011 in order to make monthly mortgage payments including taxes and insurance of \$1,300.

In summary, as the price of existing single-family homes continue to rise at a rate faster than that of individual incomes, ownership of single-family homes becomes less accessible, even to median income households.

- b) Rental Rates: Rental rates have also increased, although not nearly as fast as the cost of homeownership. In 1970, the median rental rate was \$122 per month. By 1980, the average rental was \$285 per month. By 1986, the monthly median rent was upwards of \$500.



In 1989, according to the Fair Housing Council of San Gabriel Valley the monthly rent for a 1-bedroom unit ranged from \$390 - \$490; 2 bedroom units ranged in price from \$525 - \$650; and 3 bedroom units (very few within the City), ranged in rent from \$750 and up. The average rental cost for all units was \$555 (see Figure No. 13). There is a very limited supply of single-family, detached homes for rent within the City. Costs ranged from \$650 to \$750 for a two-bedroom house to \$800 - \$1,000 for a three-bedroom house.

3. Vacancy Rates

The price of new housing has a strong bearing on the demand for existing housing and subsequent vacancy levels and rates. The 1986 Special Census identified a vacancy rate of 2.96% for housing in Montebello. The 1989 Regional Housing Needs Assessment (RHNA) identified a vacancy rate of only

¹⁰ Security Pacific National Bank 1988 Housing Affordability Index (August, 1989)

0.4%. However, the Los Angeles County Population Study published in January 1989, identifies a 2.97% vacancy rate for 1988. Regardless of which vacancy rate is most accurate, the essential point is that as long as the vacancy supply is low, housing prices will remain high.

B. Government Constraints

1. Existing Development Pattern

The existing development patterns within the City of Montebello, to a large extent, controls the City's ability to encourage housing production or to greatly increase land use. Slightly less than half the housing stock within the City is comprised of single-family detached residential homes. The vast majority of these single-family homes are owner occupied and well maintained. The other half of the housing stock are apartments and condominiums. The ratio of renters to homeowners is about 51% renters and 49% homeowners. Therefore, Montebello has a good balance between renters and homeowners, and multi-family units and single family homes.

As a result of the General Plan/Zoning Consistency Program, the City has learned that most lots zoned for multi-family structures are developed to the maximum potential. However, there are enough underdeveloped lots to accommodate an additional 982 new housing units. Please see "Adequate Sites" section on page 28 for additional information.

2. Existing Condition of Housing Stock

The sound condition of the existing housing stock (please see Figure No. 6, page 6) is a further limitation on new housing development. The current high costs of new construction provides incentives to preserve the more affordable, existing housing whenever possible.

3. Infrastructure and Operational Cost

The ability of local governments in general, and the City of Montebello in particular, to directly support the construction of new housing and to accommodate project impacts is severely limited by infrastructure and operational costs. Local governments, particularly as a result of tax limitation measures, are attempting to maintain service levels with limited fiscal resources. Any new commitments and/or obligations must be measured against the constraints of fiscal resources and community goals, objectives and

policies. However, given that the City is highly developed with a complete infrastructure system and that the vast majority of new housing is infill, lack of infrastructure is not a major problem.

4. **Reduction in Federal and State Assistance**

Reductions in the nature and amount of state and federal assistance programs to local government place further constraints on the ability of the City to develop new initiatives or expand existing programs. Information currently available on the status of state and federal housing assistance programs does not provide substantial assurances of support. Specifically, there is a lack of funding from federal and state sources for assisted housing for low and moderate-income persons, large families and families with a single head of household.

5. **Compliance with Rules and Regulations of Higher Level of Government**

Among other governmental constraints on local housing maintenance, improvement, and development are those constraints imposed by higher levels of government. Examples include, but are not limited to, County subdivision processing schedules, County Housing Authority processing and allocation of existing Section 8 units, state mandated laws, and federal administrative requirements.

Given the finite fiscal resources at the local level, and the limited funds provided by the state and federal governments, the City faces substantial constraints in providing significant support to the development of new housing. When these factors are combined with the cost of land, the construction of new housing, and the limited amount of land available for such purposes, developing new housing (particularly for low and moderate-income persons) is problematic. Although similar constraints may apply to the maintenance and improvement of existing housing, considerably more "leverage" can be obtained through use of available resources to support and expand housing preservation programs.

The constraints listed above affect the availability and thus the affordability of housing within Montebello. These factors are discussed as major criteria to be considered in developing Montebello's housing plan. To the degree feasible, allowances will be made to minimize the effect of these constraints on the overall strategies designed to meet the City's adopted goals, policies, and priorities.

C. Resources

1. Existing Housing Stock

The City's 8.2 square miles are divided into 12,602 parcels, of which 9,770 (77.5%) are developed with single family homes, and 1,563 (12.4%) are developed with multi-family units, leaving 1,269 parcels (10.1%) as commercially and industrially developed. Thus, the City's most significant housing resource is its substantial good quality existing housing stock, as described in Chapter 2.

2. Adequate Sites

Residential development is permitted in areas designated Residential or Boulevard Commercial by the General Plan. There are three residential development density types that apply city-wide. Table No. 9 below identifies the three density types (low, medium, and high density) and the corresponding development standard e.g.,

TABLE NO. 9
RESIDENTIAL DENSITY TYPES

DEVELOPMENT DENSITY TYPE	UNIT PER SQUARE FEET OF LOT AREA
Low	One unit per 5,000 square feet
Medium	One unit per 3,000 square feet
High	One unit per 2,000 square feet

City staff conducted an extensive analysis to determine the amount of housing development potential. The study documented the redevelopment potential of every block within the City designated as residential on the General Plan. The study concluded that 982 new dwelling units could be accommodated through redevelopment within areas of the General Plan designated residential. The development of all these units would be "by right", meaning that no conditional use permits would be required. The vast majority, approximately 95%, of these dwelling units would be multi-family with the remaining 5% as single family. With the completion of the study, the City can direct developers to specific parcels and blocks which can accommodate additional growth. It is not practical, in this Housing Element, to list every such parcel or block, however, the information is available upon request by interested agencies or developers. These 982 new units excludes development of the Montebello Hills (see Table No. 10 on page 29).

TABLE NO. 10
ADEQUATE SITES FOR RESIDENTIAL DEVELOPMENT WITHIN RESIDENTIAL AREAS

DEVELOPMENT DENSITY TYPE	POSSIBLE DWELLING UNITS
Low	40
Medium	826
High	116
Total	982

As stated above, residential uses are permitted in areas designated as Boulevard Commercial by the General Plan. Hence, staff also evaluated the potential for residential development along areas designated as Boulevard Commercial. A total of 131 acres are designated Boulevard Commercial by the General Plan. Within these 131 acres, the range of possible new dwelling units is illustrated by Table No. 11 below.

TABLE NO. 11
ADEQUATE SITES FOR RESIDENTIAL DEVELOPMENT
WITHIN COMMERCIAL AREAS

DEVELOPMENT DENSITY TYPE	POSSIBLE DWELLING UNITS
Low	1,141
Medium	1,902
High	2,853

Assuming that redevelopment of the subject areas occurred under a medium density residential scenario, a total of 1,902 new dwelling units could be accommodated in areas designated as Boulevard Commercial. Given land costs, it is staff's assessment that the most likely development scenario would be at medium density. Table No. 12 on the following page shows that up to 982 new units could be accommodated in areas designated Residential by the General Plan, and that 1,902 new dwelling units could be accommodated in areas designated Boulevard Commercial. Consequently, in areas designated as Residential and Boulevard Commercial, the City of Montebello has sufficient adequate sites to accommodate up to 2,884 new dwelling units. However, even under the low density scenario, a total of 2,123 dwelling units would be possible (1,141 in the commercial areas and 982 in the residential areas). Therefore, regardless of the density scenario utilized in the analysis, Montebello has identified sufficient adequate sites to meet the requirements of the Regional Housing Needs Allocation of 951.

TABLE NO. 12
ADEQUATE SITES FOR RESIDENTIAL DEVELOPMENT CITYWIDE
(RESIDENTIAL AND BOULEVARD COMMERCIAL AREAS COMBINED)

RESIDENTIAL AREAS	982
COMMERCIAL AREAS RANGE	1,141 to 2,853
TOTAL RANGE	2,123 to 3,935

3. **Vacant Land**

In the northeast section of the City lies a 500 acre parcel of vacant land under one ownership. This parcel is the only remaining significant area for additional residential development in the City. Until recently the owner, Chevron U.S.A., indicated it would continue extracting oil from the site until the year 2000. However, Chevron has recently indicated an interest in developing the parcel. Although the plans are very preliminary the eventual number of potential housing units could be significant. However, as of this report the timing of any development or scale remains unknown. Nevertheless, the City considers the parcel as a potentially significant housing resource. Other than this large parcel, the very few vacant properties in Montebello are small and not capable of providing significant housing opportunities.

4. **Vacant Parcel Inventory**

There are very few vacant lots zoned for residential development in Montebello. A survey of vacant parcels throughout the residential zones was completed by City staff in June of 1991. It indicated that at that time there was a total of nine developable vacant parcels in Montebello which were residentially zoned. Of these nine vacant parcels, six were zoned for single family and three were zoned multi-family (apartments).

In the six vacant single family parcels, a maximum of 12 units could be developed. On the three multi-family parcels a maximum of 9 units could be developed. Therefore, if every vacant developable parcel were developed at maximum density, the total number of new units would be 21.

Vacant parcels were identified by staff through the use of the County Assessor's records and verified by field inspections. The County Assessor's records were used to identify every parcel with a land improvement value of less than \$5,000. A threshold of \$5,000 was used because parcels with such a

low land improvement value are presumed to be either vacant or possessing only very minimal improvements such as fencing, paving, etc. Once identified as potentially vacant and zoned residential, a field visit was conducted to verify the Assessor's records and to confirm that the parcel was vacant and developable. Attached as Chapter 10 provides the list of developable vacant parcels.

5. Regulatory Environment

In recognition of the many constraints facing home developers, the City has taken a number of steps to foster development while still protecting community standards. For example it utilizes the Uniform Building Code as its standard and thus reduces the uncertainty over acceptable building standards.

In terms of land use controls, such as lot coverage, setbacks, unit size, parking requirements, open space, and density, Montebello's standards are quite comparable and in many cases, less restrictive than those of surrounding communities. Provided, as Table No. 13 on page 33, is a copy of the City's residential development standards. Given that approximately 100 new units are developed annually in a City with very limited infill potential, indicates that land use controls do not inhibit the construction of housing for any income group. Moreover, 25% of all new housing units built between 1984 - 1989 were for very low and low-income tenants.

The City does not utilize design review boards. Discretionary projects undergo a review only for code compliance. Moreover, this review is done with the involvement of all affected departments (i.e. Fire, Public Works, Building). This insures a rapid and comprehensive review of projects and thus cost savings to the developer. Moreover, on average, development applications submitted to the Planning Department are scheduled for Planning Commission action within four weeks from the date they are deemed complete. This is extremely expeditious and a significant time and cost savings to prospective developers.

A one stop permit processing counter using a computerized parcel management system has been in operation in Montebello for several years. This speeds up the permit approval process and enhances coordination during review.

6. Public Improvements

Since Montebello is a high urbanized city, where all new construction is infill,

the City's public improvements requirements are very minimal. Typically, the site already has sidewalks, curbs, and gutters, therefore such improvements are not necessary. Additionally, the vast majority of streets have been widened to their maximum potential thus, developers are usually not required to provide additional right-of-way. Therefore, the need for public improvements are not an impediment to the development of new housing.

7. **Moderate Housing Development Fees**

Table No. 14 on page 34 is a development fee comparison. All five cities compared to Montebello are within 10 miles. All are comparable in size and population to Montebello. The most populated is Alhambra with 73,000 persons and the least is Bellflower with 56,000. As shown by Table No. 14 Montebello's development fee schedule is in line with its neighbors. Pico Rivera has the lowest fees. However, Pico Rivera is in the process of revising its fees upward. The park development fee, (also known as Quimby Fees) which is not listed on Table 14, is only \$375 per unit. All other cities listed on Table 14 levy a higher park fee. More importantly, such a small park fee is not a deterrent to new housing. However, it does help to provide the necessary park funding residents need to have recreational opportunities. The City does not levy any other exaction fees.

8. **Tax Increment Funds**

The City of Montebello has two redevelopment project areas which must set-aside 20% of the tax increment monies generated. The 20% set-aside, per California redevelopment law must go toward the development, or preservation of housing affordable to households of low and moderate-income. Since 1986, the Montebello Community Redevelopment Agency has made an annual determination to defer its set-aside funds. As of 1989 the City of Montebello had approximately \$6,000,000 set-aside. City staff has been working to develop a five year low and moderate-income housing plan using the 20% set-aside. However, recently the City hired a consultant to help develop a set of efficient and effective strategies and programs for spending its 20% set-aside for affordable housing. Among the options that the consultants are exploring include establishment of a local nonprofit housing development corporation, land banking, density bonus, first-time homeownership financing, construction of new rentals, purchasing existing rentals, rehabilitation of existing housing, emergency foreclosure and rent relief, land write-down, and mobile home park assistance.

TABLE 13
RESIDENTIAL DEVELOPMENT STANDARDS TABLE

Zone	Minimum Lot Area	Maximum Density	Minimum Lot Width	Minimum Lot Depth	Maximum Coverage	Maximum Height	Building Length	Minimum Open Space			Parking
								Private	Common	Total	
R-A & R-1	5,000 sq. ft. South of Beverly Blvd. 6,000 sq. ft. North of Beverly Blvd.	1 unit per 5,000 sq. ft. South of Beverly Blvd. 1 unit per 6,000 sq. ft. North of Beverly Blvd.	50 ft. South of Beverly Blvd. (60 ft. corner lots) 60 ft. North of Beverly Blvd. (70 ft. corner lots)	100 ft.	40%	35 ft.	-	N/A	N/A	N/A	2 enclosed
R-2	5,000 sq. ft.	1 unit per 3,000 sq. ft.	50 ft.		50%		-	100 sq. ft. per unit	N/A	300 sq. ft. per unit	2 enclosed plus 1 visitor space per 3 units
R-3	10,000 sq. ft.	1 unit per 2,000 sq. ft.			60%	45 ft.	150 ft.	150 sq. ft. per unit	100 sq. ft. per unit	300 sq. ft. per unit	
R-4	20,000 sq. ft.	1 unit per 1,500 sq. ft.				75 ft.	250 ft.				

* Coverage includes accessory structures and patio covers.

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36
37	38	39	40	41	42
43	44	45	46	47	48
49	50	51	52	53	54
55	56	57	58	59	60
61	62	63	64	65	66
67	68	69	70	71	72
73	74	75	76	77	78
79	80	81	82	83	84
85	86	87	88	89	90
91	92	93	94	95	96
97	98	99	100	101	102
103	104	105	106	107	108
109	110	111	112	113	114
115	116	117	118	119	120
121	122	123	124	125	126
127	128	129	130	131	132
133	134	135	136	137	138
139	140	141	142	143	144
145	146	147	148	149	150
151	152	153	154	155	156
157	158	159	160	161	162
163	164	165	166	167	168
169	170	171	172	173	174
175	176	177	178	179	180
181	182	183	184	185	186
187	188	189	190	191	192
193	194	195	196	197	198
199	200	201	202	203	204
205	206	207	208	209	210
211	212	213	214	215	216
217	218	219	220	221	222
223	224	225	226	227	228
229	230	231	232	233	234
235	236	237	238	239	240
241	242	243	244	245	246
247	248	249	250	251	252
253	254	255	256	257	258
259	260	261	262	263	264
265	266	267	268	269	270
271	272	273	274	275	276
277	278	279	280	281	282
283	284	285	286	287	288
289	290	291	292	293	294
295	296	297	298	299	300
301	302	303	304	305	306
307	308	309	310	311	312
313	314	315	316	317	318
319	320	321	322	323	324
325	326	327	328	329	330
331	332	333	334	335	336
337	338	339	340	341	342
343	344	345	346	347	348
349	350	351	352	353	354
355	356	357	358	359	360
361	362	363	364	365	366
367	368	369	370	371	372
373	374	375	376	377	378
379	380	381	382	383	384
385	386	387	388	389	390
391	392	393	394	395	396
397	398	399	400	401	402
403	404	405	406	407	408
409	410	411	412	413	414
415	416	417	418	419	420
421	422	423	424	425	426
427	428	429	430	431	432
433	434	435	436	437	438
439	440	441	442	443	444
445	446	447	448	449	450
451	452	453	454	455	456
457	458	459	460	461	462
463	464	465	466	467	468
469	470	471	472	473	474
475	476	477	478	479	480
481	482	483	484	485	486
487	488	489	490	491	492
493	494	495	496	497	498
499	500	501	502	503	504
505	506	507	508	509	510
511	512	513	514	515	516
517	518	519	520	521	522
523	524	525	526	527	528
529	530	531	532	533	534
535	536	537	538	539	540
541	542	543	544	545	546
547	548	549	550	551	552
553	554	555	556	557	558
559	560	561	562	563	564
565	566	567	568	569	570
571	572	573	574	575	576
577	578	579	580	581	582
583	584	585	586	587	588
589	590	591	592	593	594
595	596	597	598	599	600
601	602	603	604	605	606
607	608	609	610	611	612
613	614	615	616	617	618
619	620	621	622	623	624
625	626	627	628	629	630
631	632	633	634	635	636
637	638	639	640	641	642
643	644	645	646	647	648
649	650	651	652	653	654
655	656	657	658	659	660
661	662	663	664	665	666
667	668	669	670	671	672
673	674	675	676	677	678
679	680	681	682	683	684
685	686	687	688	689	690
691	692	693	694	695	696
697	698	699	700	701	702
703	704	705	706	707	708
709	710	711	712	713	714
715	716	717	718	719	720
721	722	723	724	725	726
727	728	729	730	731	732
733	734	735	736	737	738
739	740	741	742	743	744
745	746	747	748	749	750
751	752	753	754	755	756
757	758	759	760	761	762
763	764	765	766	767	768
769	770	771	772	773	774
775	776	777	778	779	780
781	782	783	784	785	786
787	788	789	790	791	792
793	794	795	796	797	798
799	800	801	802	803	804
805	806	807	808	809	810
811	812	813	814	815	816
817	818	819	820	821	822
823	824	825	826	827	828
829	830	831	832	833	834
835	836	837	838	839	840
841	842	843	844	845	846
847	848	849	850	851	852
853	854	855	856	857	858
859	860	861	862	863	864
865	866	867	868	869	870
871	872	873	874	875	876
877	878	879	880	881	882
883	884	885	886	887	888
889	890	891	892	893	894
895	896	897	898	899	900
901	902	903	904	905	906
907	908	909	910	911	912
913	914	915	916	917	918
919	920	921	922	923	924
925	926	927	928	929	930
931	932	933	934	935	936
937	938	939	940	941	942
943	944	945	946	947	948
949	950	951	952	953	954
955	956	957	958	959	960
961	962	963	964	965	966
967	968	969	970	971	972
973	974	975	976	977	978
979	980	981	982	983	984
985	986	987	988	989	990
991	992	993	994	995	996
997	998	999	1000	1001	1002

TABLE No. 14
COMPARISON OF DEVELOPMENT FEES (\$)

CASE TYPE	MONTEBELLO	BELLFLOWER	ALHAMBRA	LAKEWOOD	MONTEREY PARK	PICO RIVERA
Zone change	776	550	1080	250	650	500
Zone variance	555	315	795	270	575	300
Discretionary site plan review	100 - 600	0	75	0	272 to 420	150
Hillside plan review	776	N/A	205	N/A	725	N/A
Tentative tract map	776	930	1900 + 85 unit/lot	1100	850 + 50 unit/lot	100 unit/lot
Parcel map	555	930	1900 + 85 unit/lot	475 unit/lot	850 + 50 unit/lot	25
Initial environmental review	33	0	0	0	100	0
Planned development district	776	315	205	0	500	0
Mobile home site review	444	315	N/A	0	150	300

CHAPTER VI: THE HOUSING PLAN

Below is the City's 1989 - 1994 Housing Plan. Policies, goals, programs, and objectives, relative to the maintenance, improvement, and development of housing are discussed. These policies, goals, programs, and objectives are reflective of the housing need, constraints, and resources available to satisfy the needs identified in this Housing Element. The plan also reflects and incorporates the lessons learned from previous housing elements in 1981 and 1984. The following policies will guide the City of Montebello's efforts in addressing housing concerns within the community.

Fundamentally the City of Montebello seeks to enhance the quality of life for all its residents by assuring the availability of safe and decent housing. It is the City's intent to take all reasonable and feasible steps to achieve this goal during the 1989 - 1994 time period and the years thereafter.

The City's five major housing policies are as follows:

- (1) **To encourage the provision of housing for all economic segments of the community;**
- (2) **To preserve existing housing, neighborhoods and the residential character of the community while providing for orderly growth to accommodate the future housing needs of the community;**
- (3) **To assure housing accessibility free of discrimination;**
- (4) **To conserve and increase the supply of affordable housing for low and moderate-income households; and**
- (5) **To develop standards and plans to ensure that adequate sites exist throughout the City for various types of housing.**

As mentioned previously, the City of Montebello has a very limited amount of land available for development and/or redevelopment. The essentially "built-out" nature of the community and the limited fiscal resources available, necessitates that primary emphasis be the maintenance and improvement of the existing housing stock. Such programs would be designed to give maximum benefit to low and moderate-income persons and families, and are anticipated to provide the most effective use of limited resources.

Many of the specific objectives and policies will necessarily focus upon promoting and facilitating private sector development in a manner consistent with the General Plan, zoning code and other applicable standards for development. For example, the housing needs of

upper and middle-income residents will largely be provided through the private sector. However, lower income households will probably require assistance through a combination of public and private efforts and resources.

In addition to promoting private sector development, the City will pursue applicable state and federal programs designed to meet specific housing needs, including but not limited to those described in this Housing Element. The City will continue to support and facilitate the development of new housing construction and maintain the availability of existing housing, especially for the elderly, handicapped, low and moderate-income, large families and families with single heads of household. New construction of affordable housing for the elderly, handicapped and other special need groups will continue to be encouraged and supported through non-profit sponsors. Given the fiscal constraints on local government, the implementation of this aspect of the plan will depend upon the availability of state and/or federal assistance programs. However, the lack of state and federal assistance, and other constraints, will severely limit the ability of the City to meet all the identified housing needs. Nevertheless, the City will actively pursue applications for such programs.

The following plan provides an action program the City is undertaking and/or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element. This plan will be implemented through administration of the City's land use and development controls, regulatory concessions, market incentives, and use of appropriate federal, state, and local financing programs when available. The plan is reflective of potential and actual private and governmental constraints, a continuation of successful existing policies and or new policies when necessary. Unless noted otherwise, the City of Montebello will be the agency responsible for the implementation of this action program.

A. PROVISION FOR HOUSING POLICY

It shall be the policy of the City of Montebello to make all necessary and appropriate provisions for the development of housing for all economic segments of the community.

1. Goals

- a) The availability of safe, sanitary and decent housing for all segments of the community;
- b) The provision of a range of housing selection, location, type, price and tenure; and
- c) The availability of housing to meet the special needs of groups including but not limited to the elderly and the handicapped.

2. Programs

a) Affordable Housing Strategy

Montebello has hired a consultant to assist the City to develop an Affordable Housing Strategy. The purpose of the consultant study is to establish a strategy for the most efficient and effective use of the tax increment monies available for affordable housing as a result of the City's redevelopment projects. Under California Redevelopment law a minimum of 20% of the tax increment monies generated by redevelopment must be spent on the development or preservation of housing for low and moderate-income households. The strategy will examine a variety of methods and issues, including, but not limited to:

- i. establishment of a local nonprofit housing development corporation;
- ii. land banking;
- iii. density bonus;
- iv. first-time homeownership;
- v. construction of new rentals, purchasing existing rentals;
- vi. rehabilitation of existing housing;
- vii. emergency foreclosure and rent relief;
- viii. land write-down; and
- ix. mobile home park assistance.

b) Code Enforcement

The City has long maintained an aggressive program of code enforcement to preserve and protect existing neighborhoods against the harmful effects of deterioration caused by neglect and deferred maintenance. In addition, a property maintenance ordinance (PMO) has been adopted to allow code enforcement personnel to abate specific conditions on private property as a public nuisance. In 1988, some of these violations which are transitory in nature were designated as infractions so as to facilitate enforcement through the issuance of

citations when appropriate and after warnings. The City has also initiated a City Prosecutor program to further enhance the effectiveness of this program over the next five years.

c) General Plan/Zoning Consistency

As indicated in Chapter II, the General Plan and Zoning Ordinance are not consistent with respect to total population in Montebello. The Zoning Ordinance would allow a maximum population of approximately 80,000 while the General Plan calls for a population of 70,000. This potential inconsistency has been addressed through the General Plan/Zoning consistency study.

Essentially, the previous development standards were not consistent with the General Plan policy guidelines. Given that the General Plan is the policy document based on an overall analysis, (i.e., infrastructure, water, sewers, circulation, etc.) and that zoning is just one of many implementing tools, the General Plan must prevail where an inconsistency arises. This position is consistent with state planning law. Moreover, the General Plan unlike the Zoning Ordinance, is a product of public participation and therefore, a reflection of the democratic process.

The results of the General Plan/Zoning Consistency study is that approximately 2,000 to 4,000 additional units could be added through new infill developments. These new units would be scattered through the City and do not include any development of the Montebello Hills. As a result of the study, the City possesses the ability to indicate the additional housing capacity of every block within the jurisdiction. Based on the General Plan/Zoning Consistency Program the City could accommodate the SCAG Regional Housing Allocation of 951 new units.

d) Sale of City-Owned Parcels for Residential Redevelopment

During the period of 1984 through 1987, fifty-nine (59) dwelling units were developed on several parcels purchased and sold by the City and Redevelopment Agency. These were remnant parcels from land acquired for the widening of Montebello Boulevard and other surplus property. The City will continue to identify any opportunities to make surplus property available for future development.

e) California Housing Finance Agency (CHFA)

The City has twice applied for participation in the CHFA range of programs, which include loans to low and moderate-income families for major rehabilitation and purchase/rehab of single family structures. Both of these applications were turned down by the state due to a "lack of need". The City intends, however, to continue to apply to the program.

f) Mortgage Revenue Bonds

Mortgage revenue bonds are allocated by the state to cities with qualifying construction projects. Through this program, eligible first time home buyers may obtain a loan to purchase a housing unit at a below market rate interest level. In 1984, the City of Montebello and the City of Oxnard formed the Montebello-Oxnard Housing Finance Agency for the purpose of issuing single-family residential mortgage revenue bonds. To date, none of these bonds have been used in Montebello due to a decline in market interest rates for housing finance since 1984, and the issue was redeemed in December 1987. However, the City will continue to participate in this type of bond program when feasible given market interest rate performance.

g) New Construction of Subsidized Housing for the Elderly and Handicapped

The construction of 130 units of elderly and handicapped housing was completed on October 31, 1986. The site for this development was provided to the project by the City at no direct cost to the developer through a long term loan, deferred for 40 years. Part of this site was formerly acquired by the City for right-of-way purposes and had been declared in excess, and the City actively purchased additional land specifically with the intent to provide a site suitable for such housing. The City will continue to endeavor to match developers with parcels and funding for such projects, when available. It is anticipated that redevelopment project area tax increment will be used to further these efforts.

h) Multi-Family Bond Program - Los Angeles County

This program, which involves loans from private lenders, was implemented in cooperation with the County of Los Angeles to increase the supply of rental housing which must provide at least 20% of the

development's units as affordable housing for low to moderate-income households.

i) Second Unit Construction

Since July 1, 1983, the City has operated under the procedures of SB 1534 (Mello) which provides for the construction of second units on lots in the single family residential zones. Second units may be constructed in Montebello, subject to approval of a conditional use permit. The conditional use permit criteria in effect are consistent with the provisions contained in the state statute.

3. Objectives

- a) A comprehensive affordable housing strategy;
- b) 640 annual code enforcement actions;
- c) Consistency between the General Plan and zoning;
- d) Sale of City-owned parcels for residential redevelopment as available; and
- e) Construction of 951 new units by the private market based on the RHNA (see Table No. 15 on page 41 for the quantitative objective by income category).

As stated previously, the Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments (SCAG) indicates a "need" for an additional 951 dwelling units by 1994. It should be noted that only 839 of the 951 units would be a net increase to the housing stock, the other 112 units would be new units replacing previously existing units demolished in conjunction with new development. Of the 839 total units, 294 will go towards satisfying new household growth, and 545 will be to bring the vacancy rate to an "ideal" level.

The City would question the figure of 545 units necessary to bring the vacancy rate to an "ideal" level. The 545 figure is a direct result of Montebello being assigned a 0.4% vacancy rate. This vacancy rate is not consistent with other vacancy rates studies which are available. For example, the Department of Finance, Demographic Research Unit, published a report on April 25, 1989, stating the vacancy rate in Montebello on January 1, 1989, was 2.75%. The Los Angeles County Department of Regional Planning published a report on June 10, 1989 indicating that on July 1, 1988 the vacancy rate in Montebello was 2.97%.

The City's largest amount of vacant land is in the northern hills. Although currently utilized for oil production the property owner of the subject site (Chevron USA) is in the process of

preparing a specific plan for the development of this 500 acre parcel. During preliminary discussions the landowner has proposed to build 2,000 housing units over a three phased development. However, at this time it is not possible to know exactly what number of units will be built, nor the timing of that development.

Other than the northern hills area, new construction in the City during 1989 - 1994 will be accomplished primarily by the residential redevelopment of underdeveloped residential property. Vacant land within the City (other than the parcel discussed above) is **very scarce** and new development during the next five years will continue to be limited to infill projects.

Based on this analysis, quantified objectives for the development of new housing units during this period are indicated by Table No. 15. These objectives are consistent with projected housing need as derived from the RHNA.

TABLE NO. 15
REGIONAL HOUSING NEED ASSESSMENT AND QUANTIFIED NEW CONSTRUCTION
OBJECTIVE JULY 1989 THROUGH JUNE 1994

New Construction Per Year	Very Low Income	Low Income	Moderate Income	High Income	Total Units
7/89 - 6/90	32	42	37	78	190
7/90 - 6/91	32	42	37	78	190
7/91 - 6/92	32	42	37	78	190
7/92 - 6/93	32	42	37	78	190
7/93 - 6/94	33	48	38	78	191
Five Year Total	161 16.9%	216 22.7%	186 19.6%	388 40.8%	951 100%

B. HOUSING AND NEIGHBORHOOD PRESERVATION POLICY

It shall be the policy of the City of Montebello to preserve existing housing and neighborhoods.

1. Goals

- a) Preservation of existing and stable neighborhoods.
- b) Identification of declining or unstable neighborhoods.
- c) Continuous evaluation of housing needs, problems and conditions.

2. Programs

The City's Home Improvement and Preservation Program has been developed and implemented over the last ten years. It is a multi-tiered program, designed to impact all levels of need within the low and moderate-income housing community. Benefits also accrue to residents of the non low and moderate-income community from the upgrading of individual parcels as well as the overall improvements made to neighborhoods. It shall be the City's policy to continue and expand upon the various components of the program outlined below, within the bounds of funding availability and demonstrated need. The major components of this program include the following:

- a) Single Family Rehabilitations: The City, through the use of Community Development Block Grant money, provides rehabilitation funds to qualified family homeowners. In order to qualify, a homeowner must be at 80%, or less, of the median income as defined by the Department of Housing and Urban Development (HUD). The program can provide two funding types – loans and/or grants. Loans range from \$10,000 to \$15,000 for a maximum term of 15 years at 3% interest. Those low and moderate-income applicants who do not qualify for a low interest loan may qualify for a deferred loan which can be repaid at the time the home is sold or the property is transferred. If necessary, a low and moderate-income homeowner may be eligible for a grant. Grants are provided in cases where the money needed for repairs exceeds the maximum loan allocated by the financing process. Grants range from as little as \$500 to a maximum of \$3,000. Whether the homeowner receives a low interest loan, deferred loan or grant, the purpose of the rehabilitation program is to provide funding for major home repairs and/or room additions to relieve overcrowding. The City intends to process 38 loans and grants annually between 1989-1994.
- b) Rental Rehabilitation: The rental rehabilitation program is designed to maintain the affordable rental housing stock in safe, sanitary, and decent condition. In return for the subsidized loan, the property owner agrees to a list of conditions relating to property management, no overcrowding of units and general upkeep. The City intends to rehabilitate 12 units per year from 1989-1994.
- c) Handyman Services Program: This program addresses itself to minor repairs and painting of homes owned by low and moderate-income owners of single-family homes. The City plans to provide assistance to 40 single family homeowners annually.

- d) Property Maintenance/Code Enforcement: For a program description please see page 37.
- e) Neighborhood Strategy Areas: The City of Montebello was the first community in Southern California to achieve Neighborhood Strategy Area (NSA) status for concentrated neighborhood revitalization in a predominantly low and moderate-income residential area. Activities such as street improvements and repairs, the installation of infill street lights, curb and gutter repairs, sidewalk repair, provision of curb cuts for the handicapped, fire hydrant installation, and tree planting were concentrated so as to have maximum impact. The first program was followed up with projects in two additional neighborhoods, with funding for these programs totaling nearly \$700,000. The City will continue pursuing these projects toward the goal of alleviating all such neighborhood-wide deterioration.
- f) Graffiti Removal: The City includes graffiti as an abatable public nuisance under its property maintenance ordinance. The seriousness with which the City regards graffiti is evidenced by its ongoing funding of a graffiti removal program through the City's annual CDBG program, as well as supplementation of that program through the General Fund. The City intends to continue the programs as long as funding is available and the need exists.
- g) Monitoring of Housing Element by City Council, Planning Commission and staff.

3. Objectives

- a) 640 annual code enforcement actions;
- b) 120 units of residential graffiti removal annually, or as many as necessary;
- c) 12 units of rental rehabilitation per year (see Table No. 16 on page 44);
- d) 38 single family rehabilitation loans and grants per year (see Table No. 16);
- e) 40 handyman services per year (see Table No. 16); and
- f) Annual update on progress made toward implementation of the Housing Element to the Planning Commission and City Council.

The City's objectives for the rehabilitation of existing dwelling units occupied by low and moderate-income persons are indicated by Table No. 16 below.

TABLE NO. 16
FIVE YEAR HOUSING REHABILITATION OBJECTIVES

Affordable Rehabilitation
(Dwelling Units)

Year	Very Low Income	Low Income	Moderate Income	Total Units
1989 - 90				
Single Family Rehabilitation	14	12	12	38
Rental Rehabilitation	4	4	4	12
Handyman Services	14	13	13	40
1990 - 91				
Single Family Rehabilitation	14	12	12	38
Rental Rehabilitation	4	4	4	12
Handyman Services	14	13	13	40
1991 - 92				
Single Family Rehabilitation	14	12	12	38
Rental Rehabilitation	4	4	4	12
Handyman Services	14	13	13	40
1992 - 93				
Single Family Rehabilitation	14	12	12	38
Rental Rehabilitation	4	4	4	12
Handyman Services	14	13	13	40
1993 - 94				
Single Family Rehabilitation	14	12	12	38
Rental Rehabilitation	4	4	4	12
Handyman Services	14	13	13	40
Five Year Total: 1989-1994				
Single Family Rehabilitation	70	60	60	190
Rental Rehabilitation	20	20	20	60
Handyman Services	70	65	65	200

C. HOUSING ACCESSIBILITY POLICY

It shall be the policy of the City of Montebello to eliminate, to the extent feasible, all barriers to the accessibility of housing in the City.

1. Goals

- a) The provision of housing opportunities free from discrimination based upon such arbitrary factors as race, color, creed, sex, age, family size, religion, national origin, marital status, or handicaps; and

- b) Increase community awareness of available housing programs and services and encourage participation.

2. Programs

- a) Fair Housing Education: The City of Montebello has a Fair Housing Program designed to limit discrimination in housing on the basis of race, color, national origin, handicap, gender, or creed. To assist the City in implementing its plan, the City has an agreement with the Fair Housing Council of San Gabriel Valley. This agency investigates allegations of housing discrimination, educates the public as to their rights under the law, and provides assistance to persons seeking rental housing. In the two years during which the City has had an agreement with this agency, the Fair Housing Council has provided this service to the community. The City plans to continue providing these services through the Fair Housing Council.

- b) Housing Mediation Board: In December 1982, the Montebello City Council approved the establishment of a Housing Mediation Board to mediate disputes between rental property owners and tenants. Mediation hearings are conducted privately with trained mediators assisting the parties involved in the dispute to reach a voluntary private agreement. Since its inception, the Board has successfully processed over 400 cases.

The program has also handled 1,465 direct inquiries during the last two years. The inquiries included questions regarding evictions, rental deposits, health and safety matters, rent increases, and other issues related to rental housing. The City plans to continue providing these services through the Housing Mediation Board.

- c) Mailing to Every Household of Available Housing Programs: The City will mail to every household information regarding all available housing programs offered by the City of Montebello.
- d) Orientation meeting for persons interested in the single family rehabilitation program: The City will continue to hold monthly meetings for homeowners interested in participating in the single family homeowner rehabilitation program.

3. Objectives

- a) Fair housing workshops by the San Gabriel Valley Housing Council to the students of the Montebello Unified School District, and to the Montebello business community.
- b) Investigation of alleged housing discrimination by the Fair Housing Council, and referral to the proper state/federal agency if warranted.
- c) Annual mailing to every household in Montebello explaining and listing every available housing program.
- d) Monthly meeting for persons interested in the single family rehabilitation program.
- e) Survey of Montebello households to determine the amount of housing discrimination.

D. CONSERVATION OF AFFORDABILITY POLICY

The City has various programs designed to conserve the affordability of housing units, one of which is the Housing Mediation Program. This program brings together tenants, landlords, and trained mediators whenever a renter believes a rent increase is excessive. Upon receiving a petition, staff notes the base rent, the requested rent increase amount and the geographic location of the unit. Using the above factors as criteria staff analyzed the results of housing mediation. The results are that over a ten year period the program has conserved affordable housing for persons of very low, low and moderate-incomes. On average 45 cases are successfully mediated annually. Staff estimates that the percentage break down is approximately 33% for each of the three income categories (very low, low and moderate-income). Therefore, Montebello anticipates that housing mediation will continue to conserve 15 units annually as affordable under each income category. Thus over a five year period, the housing mediation program would conserve 75 affordable housing dwelling units for each of the above three income categories. Table No. 17 on the following page summarizes affordable housing conservation goals of the Housing Mediation Program.

A nonprofit housing corporation that will be in operation by January 1993, has set a goal of assisting 10 moderate/above moderate income families annually purchase their first home. Under the program guidelines, the City will match the down payment from a qualified resident toward the purchase of a moderately priced home. Therefore, as is indicated by Table No. 17, the City expects that the first time home buyers program will conserve 20 dwelling units as affordable to moderate/above moderate income families.

TABLE NO. 17
CONSERVATION OBJECTIVE BY INCOME CATEGORY AND UNITS

Program	Income Category	Units
Housing Mediation Board	Very Low	75
	Low	75
	Moderate	75
Sub Total		225
First Time Homebuyers	Moderate	10
	Above Moderate	10
Sub Total		20
Emergency Rent/ Mortgage Relief	Very Low	10
	Low	10
Sub Total		20
TOTAL		265

Additionally, the nonprofit housing corporation has set a goal of assisting 10 very low and low income families annually who face eviction due to job loss, medical catastrophe, etc. Both tenants and home owners will be eligible for this program. As shown by Table No. 17 above, the City expects that the emergency relief program will conserve 20 dwelling units as affordable to very low and low income families.

It shall be the policy of the City of Montebello to conserve those units which are classified as affordable to persons of low and moderate-incomes.

1. **Goals**

- a) The development and implementation of housing programs which maintain the continued affordability of units in the future;
- b) Preservation and maintenance of the existing, affordable housing stock;
- c) Pursuit of programs and funding sources and adoption of policies which allow for continued affordability of housing units; and
- d) Foster cooperation between private enterprise and public agencies and commissions to provide a full range of housing for all segments of the community.

2. **Programs**

- a) Housing Mediation Board.
- b) First Time Home Buyers Program.

- c) Renter and Mortgage Relief Program.
- d) Rehabilitation loans to low and moderate-income single family homeowners: Please see page 42 for a program description.
- e) Rental Rehabilitation: Please see page 42 for a program description.
- f) Handyman services: For a program description please see page 42.
- g) Section 8 certificates: For a program description please see page 10.
- h) General Plan Monitoring: Continuous evaluation of land use and development controls in conjunction with the regular review of the General Plan, to insure they are appropriate, including, but not limited to, dedication requirements.
- i) Housing Element Monitoring: Ongoing Housing Element monitoring conducted by the Planning Commission, in their capacity as the appointed Housing Element Committee.
- j) Annual examination of the procedures and fees charged for processing of all development proposals to insure said fees are reflective of the actual cost of processing and that unnecessary procedures are eliminated.
- k) One-stop processing for review of development proposals.
- l) Condominium Conversion: Regulation of conversion of existing, multiple-dwelling units into air space condominiums, provides an opportunity for affordable homeownership. To insure that such units are suitable for individual ownership, the City requires each dwelling unit, and the structure being converted, to meet all current building condominium conversion standards. Most of the existing affordable housing in the City was developed prior to the adoption of the current condominium conversion standards. This effectively limits the potential for widespread conversion of affordable housing to more expensive condominium development.
- m) Mobilehome Park Conservation: The City is investigating alternative methods which would assist the 250 mobilehome owners become landowners rather than rent the space their mobilehome occupies. As housing costs increase, mobilehome parks offer increasingly affordable

housing units for low and moderate-income households. It is the City's intent to conserve all of these units if possible.

- n) Preservation of "At-Risk" Units: There are three apartment complexes in Montebello that have affordability restrictions--Villa Margarita, Beverly Towers, and Casa La Merced. Chapter Eleven provides a complete at-risk analysis as required by state law. Essentially, none of the three apartment complexes are at-risk within the time frame of this Housing Element (July 1989 - June 1994). For a comprehensive discussion of at-risk units please refer to Chapter Eleven.
- i) 381 Los Angeles County Housing Authority issued Section 8 certificates (please see Table No. 18 below).
 - ii) 347 H.U.D. issued Section 8 certificates (please see Table No. 18)
 - iii) Annual status reports on the progress made in implementing the General Plan.
 - iv) Annual status reports on the progress made in implementing the Housing Element of the General Plan.
 - v) Bi-annual status reports on the cost of fees and permits in Montebello as compared to neighboring cities.
 - vi) Compliance with the Subdivision Map Act relating to the conversion of apartments to condominiums.

TABLE NO. 18
CONSERVATION OBJECTIVE BY INCOME CATEGORY

Income Category	Housing Mediation	First Time Homebuyers	Rent/Mortgage Emergency Relief	L.A. County Section 8	HUD Section 8	Total
Very Low	75	0	10	343	300	728
Low	75	0	10	38	47	170
Moderate	75	10	0	0	0	85
Above Moderate	0	10	0	0	0	10
Total	225	20	20	381	347	993

As of July 1989, there were 345¹¹ dwellings in Montebello with residents participating in the Section 8 program issued by the Los Angeles County Housing Authority. In order to achieve the objective of providing support to 355 families on an ongoing basis, assisting a total of 470 new households over the next five years, given typical rates of turnover, will be necessary. Table No. 19 below provides a breakdown of the households to be assisted through the County's Section 8 program.

TABLE NO. 19¹²
HOUSEHOLDS TO BE ASSISTED THROUGH THE LOS ANGELES COUNTY HOUSING
AUTHORITY SECTION 8 HOUSING ASSISTANCE

ELDERLY FAMILIES	SMALL FAMILY	LARGE FAMILY	TOTAL
130	277	63	470

As shown in Table No. 20 below, there are an additional 347 Section 8 certificates issued directly by HUD for the two senior citizen buildings (e.g. Casa La Merced, Beverly Towers, and Villa Margarita). This figure is based on a continuation of the current allocation of Section 8 certificates by HUD for qualified low income and handicapped residents of Montebello.

TABLE NO. 20
HOUSEHOLDS TO BE ASSISTED THROUGH THE FEDERAL
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SECTION 8 HOUSING ASSISTANCE

ELDERLY FAMILIES	LARGE FAMILIES	TOTAL
319	28	347

E. Standards And Plans For Adequate Sites Policy

It shall be the policy of the City of Montebello to develop standards and plans to ensure that adequate sites exist throughout the City for various types of housing.

¹¹ Los Angeles County Housing Administration, Section 8 Program

¹² Montebello 1989-1991 HAP

1. **Goals**

- a) Designation of specific sites suitable for housing production, now and in the future.
- b) Removal of constraints, where possible, which add to the cost of housing or prevent housing production.
- c) Develop and apply residential density standards which preserve the existing character of the City while allowing for orderly, planned growth and transition.
- d) Develop specific criteria for encouraging housing production which maximizes use of limited land space without intruding into existing residential low density neighborhoods.

2. **Programs**

- a) Development and maintenance of an inventory of vacant developable sites suitable for housing production now and in the future.
- b) Maintenance of an inventory of federal programs that fund production of affordable housing. Assistance shall be provided to developers/non-profit sponsors interested in pursuing federal funds for construction of such housing units.
- c) Ready response to the conditions and availability of public services and facilities needed to accommodate and encourage the development of housing.
- d) Maintain and improve the One Stop Permitting process.
- e) Review and revise, if necessary, development fees.
- f) Periodic review of the General Plan, Zoning Ordinance and Development Standards.

3. **Objectives**

- a) Maintain current inventory of all parcels suitable for residential development with all pertinent data.
- b) Minimize permitting time to the extent feasible.

- c) Maintain development fees which are necessary to cover administrative cost.
- d) Allow for orderly growth within the General Plan guidelines and solid planning principles.
- e) Review, and revise if necessary, the existing development standards to encourage a variety of housing types.

F. Land Use Policies And Programs

1. Introduction

Land use policy is only one method by which housing can be accommodated; albeit a critical method. This chapter provides a discussion and analysis of the City's current land use policies and programs. The purpose of this chapter is to provide land use policy and program direction related to housing development. The land use policies are intended to encourage, promote, and provide for the development of various housing types. Land use policies are also geared towards the removal of regulatory barriers that may preclude the development of housing, where those impediments may exist.

In addition to the introduction, this chapter also contains a land use policy principle. The principle sets the framework from which individual policies and programs are developed. The principle is proceeded by a series of individual policy declarations. The policy declarations are followed by a description of programs in support of the policy, and by a discussion of program's implementation.

2. Land Use Policy Principle

It shall be the City of Montebello's policy to establish and maintain land use regulations, guidelines, codes, and programs that encourage and promote the development of housing for all economic segments of the community.

a) Policy

The City of Montebello's policy is to encourage and promote the development of a variety of housing types, including second units.

i) Program Description: Second Unit

Pursuant to State government code, section 65852, et seq. (planning and zoning law) a second unit can be developed on a parcel zoned for single family housing. Second units can be

either "granny" units, wherein the second unit must house a person 62 years old or older, or a housing unit free of tenancy restrictions. California law allows municipal governments to develop their own ordinance in order to implement this state law, or to use the existing state guidelines. Under state law, a local government may completely prevent second units from being developed, provided certain specific findings are made.

ii) Program Implementation

To encourage and facilitate the development of both types of second units, the City of Montebello currently utilizes state guidelines as its criteria when evaluating a second unit application. Hence, Montebello does not impose additional requirements or standards above and beyond those permitted under state law. In Montebello, development of a second unit is subject to the approval of a conditional use permit (CUP). It is the City's assessment that using state guidelines facilitates the development of second units by not imposing additional requirements and by not discouraging second unit applications. More importantly though is the fact that the City of Montebello has not elected to pursue its prerogative under state law to completely ban all second units.

To date all second unit development applications received by the City of Montebello have been approved. The applications were approved without the additional parking and open space typically required of a second unit under the Montebello Municipal Zoning Code. The City's policy shall, on a case by case basis, continue to be to support approval of second units without requiring additional parking or open space. In order to promote second units, the City will make a flyer available effective November 1, 1993, describing the second unit program at the front counter of the Planning Department. As in the past City staff will continue to speak before local realtor groups regarding the second unit program. Additionally, staff has scheduled a meeting with a private firm specializing in the development of second units. The purpose of the meeting is for staff and the firm to exchange ideas about how to effectively facilitate and implement a second unit program.

b) Policy

The City's policy is to encourage the development of housing on all parcels suitable for residential development.

i) Program Description: Planned Unit Development (PUD)

A PUD is both a type or method of development and a zoning classification that allows the adoption of a set of development standards that are site/project specific. Essentially, a PUD is a tract of land absolved from conventional zoning to allow clustering or other non-conventional types of residential development. The development plan in a PUD constitutes the zoning restrictions for that particular property. Since irregular shaped or substandard parcels are often difficult to develop within the existing zoning code framework, the PUD option is a viable alternative method of providing the necessary legal and regulatory flexibility required to develop such lots.

ii) Program Implementation

To further encourage the development of housing on irregular, small and/or otherwise substandard parcels, the City permits the use of Planned Unit Development (PUD) overlay zoning. Under the Montebello zoning code, a townhome residential PUD does not have a minimum or maximum lot size requirement. However, for commercial or industrial PUDs the minimum parcel size is three acres. Therefore, the City's residential PUD regulations are much more flexible than those for commercial or industrial PUD guidelines. The code was specifically written without a minimum lot size for residential PUDs in order to encourage the development of housing.

iii) Program Description: Parcel Merger Ordinance

California planning and zoning law, Section 66451, et. seq., allows for the merger of contiguous parcels so long as the parcels are under one owner. State law also allows the City to develop a local ordinance that would allow for the merging of two substandard parcels provided the lots are owned by the same individual. The purpose of the state law is to provide for the development of land that may not otherwise be developable.

iv) Program Implementation

Recently, the City of Montebello amended its parcel merger ordinance to be consistent with the State Subdivision Map Act as described above. Prior to this amendment, the City's parcel

merger procedure was not consistent with the current Subdivision Map Act. The parcel merger ordinance was amended in order to facilitate the development of housing on two substantial parcels. One of the substandard parcels was previously City owned. The new owner is currently in the process of preparing a development plan application.

c) Policy

The City's policy is to encourage residential development in areas designated as boulevard commercial on the land use element map of the Montebello General Plan.

i) Program Description: Residential Development Along Commercial Areas.

The City of Montebello allows residential development in areas designated boulevard commercial in the land use element map of the General Plan. According to the land use element, boulevard commercial areas are designated to accommodate "development along major streets which consist primarily of stores but also includes offices, institutions, and multi-family residents." The City's policy with respect to density along major commercial corridors is to permit a wide range in multi-family housing density, from as low as R-2 (medium density) to R-4 (very high density).

Per the general plan, approximately 130 acres of land in Montebello are designated boulevard commercial. Of these 130 acres, approximately 17 acres are currently developed with housing at high or very high densities. Multi-family housing developed within the last five years along commercial corridors has all been constructed at very high density (R-4). Given the expense of land (approximately \$30.00 per square foot) located on major commercial corridors, the high to very high residential density development is not unexpected.

ii) Program Implementation

To encourage and further promote housing along these commercial corridors, the City has entered into discussions with two developers. One developer currently has a single room occupancy (SRO) hotel on the second floor of a commercial building. However, the 1987 Whittier Narrows earthquake severely damaged that building. Therefore, the owner has expressed an interest in replacing the entire building, including the SRO, with a new building. However, since the building is

non-conforming due to a lack of parking, the owner would be required to provide substantial additional parking for the new conforming building. The new development standards appear to make replacement of the SRO hotel extremely unlikely.

To preserve this component of the housing stock, the City has agreed to consider preparation of a Specific Plan that would essentially enable the property owner to develop a new building that includes the same number of SRO units without providing new additional parking. The SRO portion of the building would be built at a very high density.

A second potential multi-family residential development along a commercial corridor concerns a possible senior citizen housing project. The subject three acre site is currently developed with a car dealership. The property owner had originally proposed to replace the dealership with a car service center. Subsequently, the City's Planning and Redevelopment Departments approached the property owner regarding the possibility of developing a very high density senior citizen project. Based on preliminary discussions, the property owner officially withdrew his car service center application.

To further encourage the property owner, City staff provided the property owner with a tour of other comparable senior citizen projects and with references to possible architects within the greater Los Angeles area. The property owner has hired an architect and is currently working with the City's Redevelopment Agency regarding possible public financial assistance. The City is prepared to process the necessary regulatory approvals on a timely basis, including the development of a specific plan, and to provide financial assistance if such assistance is deemed necessary and appropriate.

d) **Policy**

The City of Montebello's policy is to utilize redevelopment funds to promote and encourage the development of housing and housing programs.

i) **Program Description: Land Acquisition**

The City's Redevelopment Agency, on its own or through the Montebello Housing Corporation, will purchase and develop property suitable for multi-family housing construction.

ii) **Program Implementation**

The Redevelopment Agency recently purchased a vacant 13,000 square foot parcel using a portion of its 20% redevelopment set-aside money. The lot is zoned for multi-family development. The Redevelopment Agency is in the process of preparing a request for proposals from housing developers to construct affordable housing on the subject property. The Redevelopment Agency has for a number of years owned a second 13,000 square foot lot that also is suitable for multi-family housing development. Although the lot size is significant, the lot's width at 44 feet is substandard. However, the City is prepared to favorably consider a PUD or other planning mechanism that would provide relief from the zoning code in order to accommodate the development of affordable housing. This project will be undertaken upon completion of the previously mentioned project.

Please see other sections of the Housing Element for a description of other programs using 20% redevelopment set-aside funds.

e) **Policy**

The City's policy is to ensure consistency between its land use element, including the land use map, and the zoning ordinance.

i) **Program Description: General Plan/Zoning Consistency**

The purpose of the general plan/zoning consistency program is three-fold: 1) to identify all areas of the city in which there is an inconsistency between the land use element of the general plan, including the land use map, and zoning ordinance; 2) to resolve such inconsistencies; and 3) to streamline the development application process.

General plan and zoning ordinance consistency is required under California Planning and Zoning law. Where there is an inconsistency, the Planning Commission and City Council cannot approve a development project because California law requires a finding that projects be consistent with the General Plan. Therefore, resolving inconsistencies is an important component of providing the regulatory framework necessary to accommodate the development of housing.

Through the elimination of inconsistencies, potential housing developers would not incur delays related to the processing of the

necessary regulatory framework (i.e., zone changes, plan amendments, specific plan). Hence, property owners and developers will know up-front the development potential of a given site.

ii) Program Implementation

In phase one of the general plan/zoning consistency program, 16 sub-areas in which the general plan and zoning ordinance were not consistent were identified. Phase one was completed in 1992. During phase two, currently underway, the 16 sub-areas identified as having inconsistencies will undergo revision in their general plan designation and or zoning classification in order to bring about consistency. To date, two of the 16 sub-area inconsistencies have been resolved.

There are two inconsistent sub-areas where the potential exists for additional new housing. Since the direction of the City Council is to preserve the integrity of the general plan, preliminary indications suggest that both sub-areas will eventually accommodate multi-family residential. However, any action affecting development rights will require City Council approval.

By resolving inconsistencies, the City will streamline the development application process thereby, eliminating delays related to processing zone changes or plan amendments in those parts of the City in which the general plan and zoning are not consistent. Moreover, as the General Plan/Zoning Consistency Program is City initiated, the zone change or plan amendment costs are borne by the City not the developer.

In summary, through the elimination of such inconsistencies, the City will be in a position to make favorable determinations on potential housing development applications. Consequently, the time delays usually associated with a zone change or plan amendment will be eliminated. Property owners and developers will know up-front the development potential of a given site, and that the costs of processing the regulatory changes are borne by the City.

CHAPTER VII: CITIZEN PARTICIPATION

The Housing Element revision process was explicitly designed to reflect maximum feasible citizen participation. This participation has been solicited and encouraged through the following:

- a) Three study sessions with the Planning Commission were conducted. The Commission reviewed the adequacy of the existing element and the need for revision based upon the latest available data and changed conditions within the community;
- b) A noticed public hearing was held before the Planning Commission. In addition, standard required citizen notification procedures were followed;
- c) A noticed public hearing was scheduled before the City Council prior to the draft Revised Housing Element being submitted to the State Department of Housing and Community Development for the required 45-day review period. A second public hearing was held to consider adoption of the revised Housing Element subsequent to consideration of advisory comments by the state; and
- d) Study session with the Planning Commission to review progress towards meeting the goals of the Housing Element will continue to be conducted. These meetings were noticed to solicit participation.

Journal of Consulting and Clinical Psychology

The Journal of Consulting and Clinical Psychology is a peer-reviewed journal that publishes research, clinical applications, and theoretical discussions in the field of psychology. It is published by the American Psychological Association.

The journal is divided into several sections, including Research, Clinical Applications, and Theoretical Discussions. Each section contains articles that are relevant to the field of psychology.

The journal is published quarterly, and each issue contains a variety of articles that are relevant to the field of psychology.

The journal is a leading source of information for researchers, clinicians, and students in the field of psychology. It provides a platform for the dissemination of new research and clinical applications.

The journal is published by the American Psychological Association, which is a leading organization in the field of psychology. The journal is a valuable resource for anyone interested in the field of psychology.

The journal is a peer-reviewed journal, which means that all articles are reviewed by experts in the field of psychology before they are published. This ensures that the journal contains high-quality research and clinical applications.

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CHAPTER VIII: GENERAL PLAN CONSISTENCY

The Montebello General Plan was adopted in March of 1973. The Plan consists of the following 11 elements: Land Use, Circulation, Population, Housing, Parks and Recreation, Open Space, Redevelopment, Conservation, Noise, Scenic Highway, Seismic Safety and Safety. The City is currently in the process of revising the Housing Element of the General Plan.

Development patterns in the City are guided by the Land Use Element of the General Plan. Montebello's current Land Use Element augments and supports the Housing Element. The Land Use Element responds to the community's needs through development and application of density standards through the Zoning Ordinance which limit population. It allows for a variety of housing types controlled by location to complement single-family, residential areas. The Element also provides for adequate commercial development and growth and development of industrial area to give balance to the residential community.

The Circulation Element provides for the orderly flow of traffic within the community. Particular attention is given to limiting through traffic in residential neighborhoods. This serves to preserve the integrity of the residential community.

The Population Element acknowledges the limitations to growth within Montebello resulting from limited available land for residential development and constraints on the infrastructure necessary to support more growth. It provides for orderly, planned growth of the City and maintenance of high service levels to residents. This element also recognizes the ethnic diversity within this community with the goal of providing public facilities and programs designed to serve the diversified needs of city residents.

The Parks and Recreation and Open Space Elements are designed to provide play and open space to all residents of the community. The City is committed to enhancing the quality of life for its residents by assuring easy accessibility to parks and leisure activities. This philosophy of the City is consistent with the Housing Element as it increases the viability of neighborhoods by giving balance to the aesthetic and leisure needs of residents, while also increasing the stability of neighborhoods. The Conservation Element also gives consideration to preserving the environment as a means of preserving the quality of life.

The Redevelopment Element is particularly compatible with the revised Housing Element. It addresses the need for the continued identification of declining land use characteristics, including residential, and the development of programs to address such problems. This Element also encourages neighborhood revitalization programs and continuous evaluation of the needs, problems, and condition of housing within the City.

The Noise Element seeks to mitigate the detrimental effects of continuous exposure of the residents to harmful or offensive noise levels.

Although there are no state-designated scenic highways in Montebello, there is a need to preserve scenic vistas from future housing development in hillside areas. This need should be addressed as future development occurs pursuant to the Montebello Hills master plan.

The Seismic Safety and Safety Elements, much like the Noise Element, seek to protect the residents, to the extent possible, from loss of life and injury from natural hazards.

The revised Housing Element is consistent with Montebello's adopted General Plan elements. The Housing Element seeks to enhance the quality of life for all residents. The primary goal of the Element is to assure the continued desirability of Montebello as a residential community. It also seeks to assure the continued availability of a range of housing types to meet the needs of the entire community.

CHAPTER IX: ENERGY CONSERVATION

The City of Montebello recognizes the need to conserve energy, our physical resources and the quality of life within the environment. The City continually reviews its policies relative to energy and environmental concerns and its physical operations to incorporate new, innovative methods for energy conservation.

Fuel cost and the potential for gas shortages in the future could place limitations on the use of the passenger automobile as the primary method of transportation. Montebello's proximity to downtown Los Angeles, a major employment center, and accessibility to nearby industrial areas, makes it an ideal location for limited use of the automobile. The City also maintains a modern mass transit system which provides connector service to major employment centers.

The City operates a Municipal Transit System with regularly scheduled bus service throughout the community and extending to surrounding communities and to downtown Los Angeles. The City supports greater use of mass transportation. The beneficial effects are many, and specifically from an energy standpoint, include at least the following: 1) prolonged availability of fossil fuels for other uses with decreased gasoline consumption; and, 2) improved air quality with fewer cars contributing to pollution.

The City actively supports preservation of its existing housing and neighborhoods, including the voluntary retrofit of solar and solar-assisted energy sources. Increased longevity of the structures diminishes the need for new development in other areas, thus preserving available land space. Cost effective solar installations, including, but not limited to, water and swimming pool heaters, would aid in energy conservation.

Controlled traffic patterns have been instituted to prevent heavy commercial and industrial vehicular use of residential neighborhoods. These steps were undertaken to protect residents from excessive noise levels and disruption of the aesthetic quality of each neighborhood. An active Neighborhood Improvement Program supports enforcement of these steps.

Measures have also been taken to mitigate the effects of traffic pollutants and excessive noise levels generally associated with heavy industrial uses. To the maximum degree feasible, industrial developments have been sited to provide buffers between industrial and residential uses, or measures have been taken to mitigate the effects of existing development patterns (e.g. installation of the Sycamore Avenue sound wall). When it is not possible to provide buffers to industrial uses, the industrial users are required to take reasonable precautions not to intrude upon the residential areas.

The provision of parks and open space is high on the list of City priorities. Open, green areas are critical to a well-balanced and aesthetically pleasing environment within urban

centers. Parks contribute substantially to the environment for Montebello residents. To the degree that capital and operational fiscal constraints permit, the proximity of parks to residential areas will be supported.

The City will use its resources and influence to increase the awareness of its residents to the need for energy conservation measures within the home and make resources available to support energy saving installations. City staff will continue to keep abreast of innovative energy conservation methods for the home and distribute this information within the community. Particular attention will be given to instituting energy conserving measures which contribute to the extended life of energy resources.

CHAPTER X: LIST OF VACANT RESIDENTIALLY ZONED DEVELOPABLE PARCELS

	<u>ADDRESS</u>	<u>ZONE</u>	<u>LOT AREA</u>	<u>TOTAL UNITS</u>
Single Family				
1.	Harding & Greenwood	R-A	44,550	7
2.	621 Taylor	R-1	5,000	1
3.	1918 Victoria	R-A	6,900	1
4.	1016 Wemar Way	R-1	7,740	1
5.	1020 Wemar Way	R-1	20,555	1
6.	432 N. 5th Street	R-1	7,020	1
Multi-Family				
7.	517 Montebello Bl.	R-3	6,750	3
8.	Victoria & 3rd	R-3	7,200	3
9.	149 Wilcox Ave.	R-3	7,649	3

The ...

The ...

1	1000	1000	1000
2	2000	2000	2000
3	3000	3000	3000
4	4000	4000	4000
5	5000	5000	5000
6	6000	6000	6000
7	7000	7000	7000
8	8000	8000	8000
9	9000	9000	9000
10	10000	10000	10000

CHAPTER XI: EVALUATION OF POTENTIAL OR CURRENT RENT RESTRICTED LOW-INCOME HOUSING UNITS

INTRODUCTION

This report amends the Montebello General Plan Housing Element adopted in July 1989. The purpose of this amendment is to bring the Housing Element into compliance with a recent amendment of housing element law, codified in Government Code Section 65583. Under this law, jurisdictions must evaluate the potential for current rent restricted low-income housing units to convert to non-low income housing, and develop programs to preserve or replace those units.

Consistent with State requirements, this report consists of the following five parts:

- I. An inventory of the City's restricted low-income housing projects and their potential for conversion to market rate housing units;
- II. An analysis of the costs of preserving and/or replacing the "at-risk" units;
- III. Resources for preservation;
- IV. Quantified objectives for the number of "at-risk" units to be preserved; and
- V. Programs for preserving the "at-risk" units.

A. Inventory Of Units At-Risk Of Losing Government Subsidies

1. Period of Analysis

The at-risk period of analysis covered by this Housing Element is the ten year period beginning July 1, 1989, and ending June 30, 1999. However, the ten-year analysis is further divided into two five-year periods: 1) July 1, 1989 - June 30, 1994; and 2) July 1, 1994 - June 30, 1999.

2. Projects At-Risk

Table No. 21 on the following page provides an inventory of the City's at-risk units. As shown on Table No. 21A on page 66, there are two subsidized rental buildings in Montebello that are at-risk—Villa Margarita and Beverly Towers. The at-risk inventory list was compiled from interviews with City staff, the Los Angeles County Housing Authority, Department of Housing and Urban

Development (HUD), a review of "Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion" (California Housing Partnership Corporation), and "The Use of Housing Revenue Bond Proceeds" - 1990 (California Debt Advisory Commission). The inventory includes all multi-family rental units assisted through federal, state, and/or local programs, including HUD programs, state and local bond programs, redevelopment programs, and local in-lieu fee, inclusionary, density bonus, or direct assistance programs.

TABLE NO. 21
INVENTORY OF AT-RISK RENTAL UNITS THROUGH THE YEAR 1999

PROJECT NAME AND ADDRESS	TYPE OF GOVERNMENT ASSISTANCE RECEIVED	EARLIEST POSSIBLE DATE OF CHANGE FROM LOW INCOME	TOTAL NUMBER OF UNITS THAT COULD BE LOST: NON-ELDERLY	TOTAL NUMBER OF UNITS THAT COULD BE LOST: ELDERLY
Villa Margarita 310, 311, and 411 W. Lohart Ave.	HUD 236 (J) (1) Section 8	March 12, 1994 Nov. 30, 1996	28	0
Beverly Towers 1315 W. Beverly Blvd.	HUD 236 (J) (1) Section 8	Feb. 18, 2016 Nov. 1, 1993	0	189

TABLE NO. 21A
PROFILE OF AT-RISK BUILDINGS

PROJECT NAME	TOTAL UNITS	BEDROOM MIX	BUILDING AGE	BUILDING CONDITION
Villa Margarita	28	All two bedrooms units	19 years old	Excellent
Beverly Towers	189	133 efficiency 56 one bedroom	17 years old	Excellent

3. Description of At-Risk Projects

a) Villa Margarita

Villa Margarita is a 19 year old apartment complex consisting of three autonomous buildings that contain a total of 28 two-bedroom units. The entire complex provides housing to 28 very low-income families. A professional property management company manages the Villa Margarita apartment complex and maintains the complex in excellent physical condition. Each two-bedroom unit has approximately 1,000 square feet of living area.

b) Beverly Towers

Beverly Towers is a 189 unit senior citizens building. Of the 189 units, 133 are bachelors and 56 are one-bedroom units. The two types of units range in size from 290 to 540 square feet. Even though the building is 17 years old, the professional property management firm responsible for Beverly Towers' maintenance, keeps the building's interior and exterior in superb condition.

4. Conversion Potential: Phase One (July 1989 - June 1994)

a) Villa Margarita

Villa Margarita will be at-risk of conversion as early as March 1994, due to the potential for prepayment of its HUD 236(J)(1) Interest Reduction Mortgage loan. This conversion date is within Phase One and is covered by this Housing Element. However, according to HUD records as of April 1, 1993, the owners, TSE Incorporate, have not filed a Notice of Intent to change or terminate the project's affordability control. Given that the Notice of Intent must be filed two years prior to conversion of the units, the HUD 236(J)(1) subsidy will not be at-risk until at least April 1, 1995. Therefore, Villa Margarita is not actually at-risk of conversion through the loss of its HUD 236(J)(1) subsidy until Phase Two (July 1994 - June 1999).

The project is also considered to be at-risk based on the potential loss of its Section 8 rent subsidy. The Section 8 rent subsidy contract was to have terminated as of November 30, 1991, however, HUD records indicate that the contract was renewed for five additional years until November 30, 1996. Therefore, the Section 8 subsidy will not be at-risk until the Phase Two (July 1994 - June, 1999).

In summary, Villa Margarita will not be at-risk of conversion during Phase One (July 1, 1989 - June 30, 1994).

b) Beverly Towers

The construction of Beverly Towers was accomplished in part through a HUD 236(J)(1) Interest Reduction Mortgage Loan subsidy. According to HUD, the Mortgage Loan subsidy is not at-risk because the owner, United Methodist Church, is a nonprofit and is thus prohibited from prepaying the loan during the 40 year term.

Beverly Towers also receives Section 8 project based rental subsidy. According to HUD records, the subsidy could be terminated as early as November 1, 1993. However, to terminate the Section 8 subsidy, the owner must provide HUD with a one year notice. As of April 1993, the owner had not filed the required "Notice of Intent". Hence, the building is not at-risk of conversion during Phase One. Additionally, HUD's Office of Preservation has indicated that it intends to extend the Section 8 contract for an additional five years to November 1, 1998, and very likely beyond 1998 if federal appropriations are available. Therefore, Beverly Towers is not at-risk of conversion during Phase One.

5. **Conversion Potential: Phase Two, July 1994 - June 1999**

a) **Villa Margarita**

The Villa Margarita's HUD 236(J)(1) subsidy will be at-risk as early as February 1, 1995; its Section 8 rental subsidy will be at-risk as early as November 30, 1996. Prepayment of a Section 236 loan is regulated by the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA). Under LIHPRHA provisions, owners of prepayment eligible projects may opt to retain project ownership in exchange for additional federal incentives, or sell their properties under a voluntary sale program. More specifically, LIHPRHA provides owners of eligible projects an opportunity to receive additional federal incentives for extending low-income use restrictions during the remaining useful life of the project. As long as use restrictions for HUD Section 236 mortgage are in effect, Section 8 rent subsidy contracts are likely to be renewed.

b) **Beverly Towers**

The only risk faced by Beverly Towers is the loss of its Section 8 rent subsidy on November 1, 1998. However, as long as HUD 236 use restrictions are in effect, which in the case of Beverly Towers is an additional 23 years, Section 8 contracts are likely to be renewed. Thus, only a very remote likelihood of conversion exists during Phase Two (July, 1994 - June, 1999).

6. **Projects Not At-Risk**

Table No. 22 on the following page provides an inventory of those units that receive mortgage and/or rent subsidies and are subject to use restrictions but are not at risk. In Montebello there is only one such building--Casa La Merced. Casa La Merced has a total of 129 units, all of which are one bedrooms. Casa

La Merced is in excellent condition. Casa La Merced will not be at-risk given that it was constructed under Section 202 and is owned by a nonprofit (El Centro Human Services). Moreover, its Section 8 rent subsidy will not expire until March 12, 2007.

There are no housing units in Montebello that have affordability controls as a result of state or local programs, including state and or local Revenue Bonds, Redevelopment Housing Funds, Community Development Block Grant (CDBG) Funds, In-Lieu Fee Program, Density Bonus, and Inclusionary Program.

TABLE NO. 22
INVENTORY OF AT-RISK RENTAL UNITS NOT SUBJECT TO TERMINATION
THROUGH THE YEAR 1999

PROJECT NAME AND ADDRESS	TYPE OF GOVERNMENT ASSISTANCE RECEIVED	EARLIEST POSSIBLE DATE OF CHANGE FROM LOW INCOME	TOTAL NUMBER OF UNITS THAT COULD BE LOST: NON-ELDERLY	TOTAL NUMBER OF UNITS THAT COULD BE LOST: ELDERLY
Casa La Merced 140 North Montebello Blvd.	New Construction 202 Section 8	N/A March 12, 2007	0	129

B. Cost Analysis Of Preserving Versus Replacing At-Risk Units

The following analysis addresses the two subsidized apartment complexes that are at risk of conversion—Villa Margarita and Beverly Towers. As discussed in the Conversion Potential section above, the future of Villa Margarita and Beverly Towers as subsidized housing appears to be very secure. Nevertheless, the City should have a plan for addressing a conversion proposal, given the impact on low-income people, should the remote possibility occur. The analysis would cover only Phase Two, July 1994 - June 1999, given that there are no at-risk units during Phase One.

1. Cost of Producing New Rental Housing Comparable In Size and Rent Levels to Replace The Units Which Could Convert

This replacement costs analysis examines land, construction, and soft costs housing production factors in order to estimate the cost of producing new comparable housing. The analysis assumes that if subsidized units were converted, they would be replaced with comparable housing quality and in compliance with current planning and building standards.

a) Villa Margarita

- i) Land Costs--\$1,232,000. Villa Margarita is a three building apartment complex located at 310, 311 and 411 Lohart Avenue. To replace Villa Margarita 56,000 square feet of lot area would be required. Land costs were estimated based on information provided by local real estate agents. According to these agents, the price of a 56,000 square foot property zoned for multi-family development would be approximately \$22.00 per square foot. Given that a total of 56,000 square feet are needed, land costs to replace Villa Margarita are estimated at \$1,232,000 (please see Table No. 23 on the following page).
- ii) Construction Costs--\$2,400,000. According to the Building Official for the City of Montebello, to construct a building similar to Villa Margarita would cost approximately \$60.00 per square foot. The Villa Margarita building permit files, indicate that it contains approximately 40,000 square feet of total construction. Thus, construction cost to replace Villa Margarita would be approximately \$2,400,000.
- iii) Soft Costs--\$480,000. Using an industry standard that soft costs generally total 20% of the construction costs, soft cost are estimated at \$480,000 ($\$2,400,000 \times 20\%$). Soft costs include: architectural fees, permit fees (building, electrical, engineering, mechanical, and plumbing permits, County Sanitation, and school impact), developer profit, and financing. It should be noted that the State of California school impact fee, at \$2.65 per square foot, is a significant expense (approximately \$75,000) of these soft costs.
- iv) Total Replacement Costs \$4,112,000. Based on the above costs analysis, the total cost to replace Villa Margarita is \$4,112,000.

b) Beverly Towers

- i) Land Costs \$2,730,000. Beverly Towers sits on a 91,000 square foot lot along Beverly Boulevard. According to local real estate agents, property along Beverly Boulevard in Montebello cost approximately \$30 per square foot. Thus, land costs to replace Beverly Towers is approximately \$2,730,000.

- ii) Construction Costs \$8,500,000. Beverly Towers is a Type II fire resistant eight story concrete building. According to the Montebello Building Official, construction of a Type II building such as Beverly Towers, costs approximately \$75.00 per square foot. The entire building square footage is 112,810. Thus, construction costs for Beverly Towers is approximately \$8,500,000.
- iii) Soft Costs \$1,700,000. Using an industry standard that soft cost generally total 20% of the construction costs, soft cost would be estimated at \$1,700,000. Soft costs include: architectural fees, permit fees (building, electrical, engineering, mechanical, and plumbing permits, County Sanitation, and school impact), developer profit, and financing.
- iv) Total Replacement Cost \$13,000,000. Based on the above costs analysis the total cost to replace Beverly Towers is approximately \$13,000,000.

TABLE NO. 23
COST OF REPLACING AT RISK UNITS

Project Name	Land Size Sq. Ft.	Cost Per Sq. Ft.	Land Costs (BxC)= (D)	Bldg. Area Sq. Ft.	Construction Cost Per Sq. Ft.	Construction Cost (E x F) = (G)	Soft Cost @ 20% of Const. Cost (H)	Total Replacement Cost (D+G+H) = (I)
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Villa Margarita	56,000	\$22.00	\$1,232,000	40,000	\$60.00	\$2,400,000	\$480,000	\$4,112,000
Beverly Towers	91,000	\$30.00	\$2,730,000	112,810	\$75.00	\$8,500,000	\$1,700,000	\$13,000,000

2. Cost of Preserving Developments At Risk of Converting

a) Villa Margarita

Villa Margarita is at-risk due to the possible elimination of its Section 8 rental subsidy contract. To determine the cost of preserving Villa Margarita, two basic factors were considered: 1) the difference between HUD established fair market rents (FMR) and rents paid by tenants; and 2) the property market value.

According to the property management company responsible for Villa Margarita, the average monthly tenant contribution towards their rent is

\$300 per month. HUD has established the monthly fair market rent for these units at \$647 hence, each unit receives an average monthly rent subsidy of \$347. Given that there are a total of 28 units, the total monthly subsidy for Villa Margarita is \$9,716 or \$116,592 annually. Please see Table No. 24.

TABLE NO. 24
PRESERVATION COST FOR VILLA MARGARITA

Number of Units	28
Monthly Fair Market Rent as Determined by HUD	\$647
Average Monthly Tenant Rent Contribution Per Section 8 Guidelines	\$300
Monthly Preservation Cost Per Unit	\$347
Monthly Preservation Cost For All Units	\$9,716
Yearly Preservation Cost For All Units	\$116,592

Villa Margarita is also at-risk of conversion due to the potential loss of its HUD 236(J)(1) subsidized loan as early as February 1, 1995. Using an industry standard price-to-earnings ratio of 10 to 1, the Villa Margarita's value is estimated at \$2,065,224. Please see Table No. 25.

TABLE NO. 25
ESTIMATED PROPERTY VALUE OF VILLA MARGARITA
BASED ON A PRICE-TO-EARNING APPROACH

Number of Units	28
Fair Market Rents	\$647
Monthly Income, Including 5% Vacancy Factor	\$17,210
Yearly Income, Including 5% Vacancy Factor	\$206,522
Estimated Property Value	\$2,065,224

Under LIHPRHA, HUD will provide mortgage loan insurance on acquisition loans for up to 95% of the equity to priority purchasers, such as non-profits and community based organizations. If Villa Margarita were sold to an eligible non-profit the total down payment cost would be \$103,261. Therefore, the total preservation costs for Villa Margarita during Phase One is \$219,853. Clearly, preserving Villa Margarita is considerably more cost efficient than replacing it with a new comparable building.

b) Beverly Towers

As previously indicated, Beverly Towers is only at-risk of conversion due to the possible elimination of its Section 8 rental subsidy contract. According to records maintained by Beverly Towers, the average monthly rent paid by its residents is \$160 per month. HUD has established the monthly fair market rent for these units at \$455 hence, each unit receives an average monthly rent subsidy of \$295. Given that there are a total of 189 units, the total monthly subsidy for Beverly Towers is \$55,755 or \$669,060 yearly. Therefore, preserving Beverly Towers is clearly more cost efficient than replacing with a new comparable building. Table No. 26 below provides a detailed explanation of the total rent subsidy.

TABLE NO. 26
PRESERVATION COST FOR BEVERLY TOWERS

Number of Units	189
Monthly Fair Market Rent as Determined by HUD	\$455
Monthly Tenant Rent Contribution Per Section 8 Guidelines	\$160
Monthly Preservation Cost Per Unit	\$295
Monthly Preservation Cost For All Units	\$55,755
Total Yearly Preservation Cost	\$669,060

C. Resources For Preservation1. Department of Housing and Urban Development (HUD)

Under the provisions of the Low-Income Housing Preservation and Resident Homeownership Act, owners of Federal mortgage subsidized affordable housing are entitled to incentives sufficient to yield eight percent of the preservation equity of the project should they agree to maintain the affordability controls. These incentives are negotiated mutually by HUD and the owner and must be sufficient to cover the annual authorized return, debt service on rehabilitation loans, debt service on the HUD mortgage, operating expenses, and adequate reserves.

Owners of Federal mortgage subsidized affordable housing interested in a voluntary sale to a priority purchaser (e.g., tenant council, nonprofit corporation, state or local government) can trigger the availability of HUD financial assistance. As discussed earlier priority purchasers have access to the following assistance: 1) insurance for financing up to 95% of the preservation equity; 2) grants up to the present value of the total projected

published fair market rents for Section 8 existing housing for the next 10 years; and 3) reimbursement for certain transaction expenses.

2. **Home Investment Partnership Act (HOME)**

The City of Montebello did not meet the necessary HUD criterion to receive HOME funds directly from the federal government. However, the City plans to apply to the state for HOME funds as the City's housing needs warrant. The use of this resource would require inclusion of a program description for preservation during the fiscal year in which assistance is anticipated. Funding is expected to continue throughout the planning phase of this Housing Element, however, program funding is dependent upon federal appropriations and is therefore not guaranteed.

3. **Community Development Block Grant (CDBG)**

As an entitlement City, Montebello has been allocated approximately \$1,100,000 in CDBG funds for Fiscal Year 1992-93. Of the \$1.1 million 35% of the funds are used for planning/administration and public services, hence about \$780,000 could be available annually for preserving at-risk housing, assuming Montebello's CDBG allocation remains constant.

4. **Rental Section 8 Certificates and Rental Vouchers**

Through the Los Angeles County's Housing Authority, the federal government provides funding for housing certificates and vouchers (Section 8) for low-income families and individuals. The Housing Authority may direct rental certificates and vouchers towards preserving units at-risk of conversion.

5. **Housing Set-Aside Funds**

Redevelopment tax increment could be a source of funding for housing at-risk in Montebello. A portion of these funds could potentially be redirected should there be a need to utilize these funds for housing preservation. Currently, the Montebello Redevelopment Agency generates approximately \$300,000 annually for the housing set-aside fund.

6. **Nonprofit Housing Corporations**

The City recently created a nonprofit housing corporation. This nonprofit could be expanded, with training and funding, to assume some responsibility in the area of property management of at-risk units if necessary.

D. **Quantified Objectives: Number Of At-Risk Units To Be Preserved**

There are no units at-risk during Phase One of the 10 year planning period, July 1, 1989 - June 30, 1994. However, during Phase Two, two projects as listed in Table No. 21 on page 66 are at-risk of converting to non-affordable housing. If both projects are converted, 217 affordable units would be lost. It is the City's objective to retain all 217 units as affordable housing through resources and activities discussed in the following program.

E. **Program Efforts To Preserve At-Risk Units**

As previously discussed, there are no units at-risk of conversion during Phase One (July 1989 - June 1994). Program efforts listed below to preserve at risk units apply only during Phase Two, July 1994 - June 1999. The Planning Department will be responsible for administration of the programs listed below.

1. **Identify and Monitor At-Risk Units:** The Planning Department must annually prepare the Comprehensive Housing Affordability Strategy (CHAS) as required by the federal government. To prepare the CHAS, the Planning Department will review the Housing Element and identify all at-risk units.

The City's Planning Department will take the lead in monitoring efforts to preserve at-risk units. Upon HUD notifying the City that a "Notice of Intent" has been filed, the Planning Department will notify HCD, tenants, and other affected parties as necessary regarding the possible conversion.
2. **Work with Potential Priority Purchasers:** The City will establish contact with public and nonprofit agencies interested in purchasing and/or managing at-risk units. When necessary the City will provide technical assistance to these organizations.
3. **Tenant Education:** The City will work with tenants of at-risk units by providing them with education and training relating to their rights and options.
4. **Work with HUD on Plans of Action Submitted by Owners:** The City of Montebello commits itself to providing timely comments to HUD on a proposed Plan of Action and to communicate its concerns to HUD throughout the application process.



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